Weekend August 19/August 20 1989

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WORLD NEWS

BA flights hit by cabin crew strike

European and UK domestic services by British Airways were disrupted when shorthaul cabin crews held a 24-hour strike in support of a sacked air stewardess. Only three of the daily 81 shuttle services around Britain and just over half the scheduled European Dights operated. Page 22; Union showdown, Page 4 Cabin crews on Sabena, Bel-

gium's national airline, plan a four-day go-slow from Mon-day after pay falks broke down. Most of the 1,200 stewards and hostesses plan to board all flights two hours late.

Britain and Argentina have agreed to formal talks on October 17 and 18 in Madrid, where they hope to announce a resumption of diplomatic rela-tions. Both sides agreed to meet without prejudice to their respective positions on sovereignty over the Falkland Islands. Page 22

China executes 10

Ten people were executed in Chengdu, western China, on charges of robbery and mur-der. A further 4,900 were held in a four-month crackdown on crime, the Sichuan Daily newspaper reported. China fears, Page 2

5 Africa crackdown

South African authorities clamped down on anti-apartheid activities, detaining the chief organiser of the current defiance campaign and banning a big rally, Page 2

Robels kill policemen Sixteen people, including three policemen, were killed by members of the People's Liberation Front in attacks in Sri Lanks, military sources said.

Police chief shot dead The police commander of Antioquia state, Colombia, who had led a campaign against the Medellin drug traffickers and death squads, was shot dead by gunmen.

10 killed in has blast A bomb blew up a bus near a Hindu shrine in north India. killing at least 10 and injuring 20. Sikh militants were blamed

Estonian strikers return Russian workers in Estonia began recumbing to work after suspending a lighte against a new election liew. They gave authorities six weeks to meet some of their demands or face

a bigger stoppage. Practice Williams Czechoslovakia warned that

foreign tourists and journalists in Prague could be endangered in the event of illegal demonstrations during this weekend's 21st anniversary of the Sovietled invasion of the country.

Man. United deaf Manchester United football club has been taken over by

an Isle of Man property company in a deal which values ne club at £20m. Page 22 Rationing looms

Devon and Cornwall face water rationing within a fortnight. unless there is a 50 per cent cut in demand or prolonged

The Milk Marketing Board warned there may be price rises and shortages of cheese because the drought had reduced milk production.

Kidnao man free

Wealthy businessman Victor Cracknell escaped unharmed five days after being kidnapped at gunpoint from his Surrey £1 million. Police refused to confirm whether any money

Search draws blank

The hunt for missing British teacher Fiona Jones, missing since Monday in the Picardie region of France, was scaled down after an intensive search by 250 soldiers and gendarmes found nothing.

BUSINESS SUMMARY

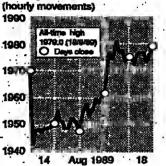
No. 30,925

AIDS drug test boosts Wellcome

WELLCOME shares surged by 32 per cent in London after overnight US news about the effectiveness of AZT or Retro-vir, its anti-AIDS drug. The UK pharmaceutical company'e shares ended the day 164p

higher at 673p.
That surge accounted for about 10 points of the 15.1 the FT-SE 100 gained yesterday, while the FT Ordinary index

FT Index Ordinary share



which excludes Wellcome ended a week of modest net improvement by adding only 4 points to 1,979. Page 22 and Lex; London stocks, Page 15; Hope for a breathing space,

NEWGATEWAY, loser of the bid battle for UK food retailer Gateway, agreed to accept the terms offered by victorious rival Isosceles. Newgateway will take about £764m cash plus Isosceles shares for its 40 per cent Gateway stake. Page 8; Lex, Page 22

US CONSUMER prices rose a modest 0.2 per cent in July,

PLESSEY, UK electronics group facing a £2bn hostile bid from General Electric Com-pany of the UK and Siemens of West Germany, has paid about £15m to acquire a 2 per cent stake in rival Ferranti. Page 8

COMPAGNIE Pinancière de Suez received French stock exchange approval for its bid for Compande industrielle, but was ordered to raise its price in the linked offer for leading insurer Group Victoire, in which Compagnie Industrielle holds a 40.17 per cent stake. Page 10

JAPANESE chip makers have agreed to set a minimum price for dynamic random access memory chips, so ending a

dumping dispute with the EC. FLETCHER CHALLENGE, New Zealand's biggest company, is to pay at least NZ\$550m (£204m) for Rural Banking and Finance Corporation, the state-owned lender of mortgage

finance to farmers. Page 10. GENERAL ELECTRIC of the US said the US Navy had awarded it an order for F404-GE-400 turbofan engines that could eventually be worth more than \$2bn (£1,28m).

KUNICK, USM-listed leisure and healthcare group, is buying Bell Fruit amusement busi-nesses for 257m. Bell Fruit belongs to Cope Aliman, a sub-sidiary of holding company Quoteplan. Page 8

IKL: The management bid for control of industrial Equity, Australian arm of New Zea-lander Ron Briefley's empire has been expanded to a full A\$1.8bn (£863.6m) takeover offer following objections from key shareholders. Page 10 TRAVELLERS' FARE is offering £60 bounties to workers who can bring in recruits.

Page 4 MIDLAND BANK is buying Midland Montagu House, its investment arm's City headquarters, through a £99.5m recommended offer for Billings-gate City Securities. Page 8

DSM. Dutch chemicals group undergoing privatisation, doubled second-quarter profits to F1 343m (£99m) and said the offer prices for its next share tranche would be announced next month. Page 10

Mazowiecki is asked to form Polish government

By John Lloyd in Warsaw

POLAND'S Communist Party all but relinquished the last vestiges of power yesterday when it seemed certain that the country's first Solidarity Prime Minister would be a scholarly Catholic journalist who edits the movement's

weekly magazine. Mr Tadeusz Mazowiecki's appointment as the head of the country's first non-communist government since just after the Second World War bad not been officially announced last night but he spent much of yesterday seeing such digni-taries as President Jaruzelski, Mr Bronislaw Geremek, the Solidarity Parliamentary leader, and Mr Mieczyslaw Rakowski, the Communist

First Secretary.

In his first message to his citizens, the 62 year-old intellectual said: "There are huge lectual said: "There are huge tronbles, buge problems. It won"t be easy. I am afraid of many things, but if I were only afraid, I would be a total pessimist. I would like people to feel that things are getting better."

An communique will be released today from the President's office, confirming Mr Mazowiecki's nomination.

President Januzelski contin-

President Jaruzelski contin ued talks with groups, includ-ing the lay Catholic political parties and a band of American senators led by Mr Alan Cran-ston. It is thought he will com-plete these consultations pefore he announces Mr Mazowiecki appointment. Mr Mazowiecki, a widower

with three sons, was seen by many in Solidarity as a sur-

prising choice, especially as he had earlier refused to stand for the Sejm, or senate, and when more charismatic and public figures as Mr Geremek and Mr Jacek Kuron, a deputy and long-time opposition figure, also seemed to have been in the running.

He probably owes his rapid elevation to the studied moder-

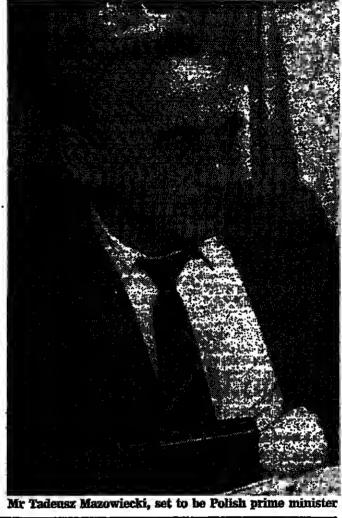
ation and reserved judgment which are his best known char-He came to the fore again earlier this year when he chaired committees on union pluralism and was deputy chairman of the committees on politics and the media. He has

remained close to Mr Lech Walesa, the Solidarity leader, since the movement's founding in August, 1980.
He now begins the task of forming a government largely composed of non-party experts.
Signs of Solidarity's new and responsible posture are already

responsible posture are already apparent. In the Senate, which held a brief session yesterday to approve an emergency budget, Senator Leszek Pietrowski, the Solidarity Senator from Katowice, appealed to striking miners in his constituency to return to work "in the name of your feelings for Solidarity. We can't strike when Solidarity is beginning to rule the country."

Later, Solidarity Senator Witold Trzeciakowski said that an increase in budget income and a cut in spending were required to deal with inflation - Continued on Page 22

The Polish view, Page 2; Man



DTI to probe Eagle Trust

D 8523A

By Philip Coggan

THE Department of Trade and THE Department of Trade and Industry has been called in to investigate the affairs of Eagle Trust, the Midlands-based mini-conglomerate, following the discovery that about £13.5m cannot be accounted for by the group's auditors.

It is understood that the board decided unanimously on Thursday to ask the DTI to investigate. The department stuck to its normal line of not

stuck to its normal line of not commenting on individual company's affairs yesterday.

The investigation follows the demise of Eagle Express (formerly Connect), the parcel distribution group, which bad debts of more than £33m when it was put into liquidation last month. The DTI will doubtless look into the question of what happened to investments made by Eagle in Connect and Laforza, an antomotive com-pany. The 1987 accounts reveal a £14.9m loan made to a com-pany which subsequently became a wholly-owned subsidiary, listed in other invest ments. That company is under-stood to be Connect; the accounts say that "there are no formal arrangements in force regarding payment or interest terms" on the loan.

Other Eagle subsidiaries in difficulty include MCP Build-ing Supplies, where adminis-trators have been appointed. and Eagle Computers, a small company which worked for other Eagle subsidiaries which is being looked at by insol-

vency practitioners.
A former Eagle snhsidiary called Landsaver, a company making hydroponic grass-growing machines, has been wound up under the Insolvency Act. Landsaver and MCP Building Supplies were two of the main businesses of MCP, a company owned by Mr John Ferziday and Mr Richard Smith, and one of the three companies that formed Eagle Trust in a

merger in March 1987. Landsaver was described in the merger's offer document as having Japanese orders worth £42m, over the next four years These orders did not materialse and the company plunged into financial difficulties -Eagle swapped it for 10 per

ment company in 1988. Other companies linked with one or both of the MCP partners have had problems. Para-mount Airways, a charter airline company, was placed in the hands of the administra-UK economy, Page 6; Money Markets, Page 11; Government tors just days after control was

Continued on Page 22



Huge anti-Russia demonstrations will be stirred in the Baltic states and Moldavia next week, marking the 50th anniversary of the Molotov-Ribbentrop Pact. **Edward Mortimer describes** how the Pact was seen at the time and why it is still such a sensitive issue

Page I

Finance All you need to know about Personal Equity Plans Page III

Diversions Simon Vail continues his mountain-climbing exploits Page XV

Rebecca Stephens reports on the attempt to scale the unclimbed north-east ridge of Everest Page XVI

Plus: Just what does go on at an Acid House Party? Page XVIII

Survey Two pages on courses and careers Pages VIII-IX

Arts The Edinburgh Festival: fringe

round-up Page XIX

Property The unlovely face of timeshare Page X

Inflation rate starts downward trend

By Ralph Atkins, Economics Staff

BRITAIN'S INFLATION rate fell for the first time in 19 months in July, almost cer-tainly marking the start of a downward path. Retail prices increased at an

annual rate of 8.2 per cent last month, fractionally lower than the 8.3 per cent in June, the Central Statistical Office said yesterday. That was the first fall since January last year when inflation was running at 3.3 per_cent_

The figures backed claims by Mr Nigel Lawson, Chancellor of the Exchequer, that inflation may have peaked. In coming months, last year's rises in mortgage rates, which pushed the retail price index (RPI) sharply higher, will start to drop out of year-on-year comCity analysts widely expect inflation to fall well below 8 per cent a year this month with some forecasting a rate as low as 7.3 per cent. By the end of the year, many predict infla-tion could be around 6% per

The Treasury welcomed was still too high and that there was a long way to go in its battle against inflation. The drop ended a busy week

economic statistics that. almost without exception, have supported the Government's belief that high interest rates are slowing economic activity and easing inflationary pres-

Growth has slowed in retail sales, factory-gate prices, manufacturing output and earnings. The rate of fall in unemployment has also declined. Bank of England figures yes-terday pointed to slower growth in the main money sup-

Between June and July the retail price index increased by 0.1 per cent. Rises in non-seasonal foods and housing costs were offset by falls in seasonal foods and price reductions forclothing and footwear. The CSO said hot weather had had no apparent affect on prices. In the same months last year there was also a rise of 0.1 per cent, which would suggest the annual rate in July should have been unchanged. How-

ever it fell because of rounding by government statisticians. Excluding mortgage interest payments, the annual rate of annual inflation rate must fall. The all-items retail price index stood at 115.5 in July compared with 115.4 in June. The tax and price index rose to 111.1 from

bonds, Page 15; Lex, Page 22

inflation fell from 5.9 per cent to 5.8 per cent in July.

index, which measures the change in gross income needed

for taxpayers to maintain their

purchasing power, saw a rise from 8.4 per cent to 8.5 per

Last August the index

increased by 1.1 per cent, largely because of a 1% per

cent rise in mortgage rates. Assuming prices rise at a

slower rate this August, the

However, the tax and price

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BA ready to join battle against hostile bid for top US airline

By Roderick Oram in New York and Clay Harris in London

BRITISH AIRWAYS is seeking an involvement with UAL, the parent company of United Air-lines, the second largest US carrier, to reinforce its marketing relationship with the air-line and to help UAL defeat a hostile takeover.

hostile takeover.

A minority share stake could cost BA about \$1.5bn (£961m), and put it in a powerful position to take a bigger role in UAL when, as widely expected in the aviation industry, the US rescinds its law limiting foreign ownership of US carri-

ers to 25 per cent.

BA has hired Morgan Stanley as its adviser, but it is believed that the Wall Street investment bank is not ye planning to take a financial stake in any transaction itself. Analysts believe BA would be more likely to take a stake in a management buy-out rather than participate in a counter-bid, particularly a hostile offer without approval of the UAL board.

In London, BA said: "Inevita-

bly we would have an interest [in the future of United] but

depend on who the eventual owner was." It would not exclude on principle the possibility of taking an equity stake Although hotb airlines

the degree of interest would

declined otherwise to comment on a possible BA investment, UAL said it had been contacted by third parties, besides Mr Marvin Davis, the Los Ange investor who has made a \$6.2hm hostile offer.

Mr Davis appears to have less than 5 per cent of UAL's stock, judging by his failure to file a shareholding report with the US Securities and Exchange Commission.

Mr Stephen Wolf, UAL's chairman, and fellow board members are exploring ways to

members are exploring ways to thwart Mr Davis – including a management buy-out with employee participation. Unit-ed's pilots, who had tried to launch their own bid last year, have already said they want to join a buy-out. United and BA have impor-tant trading links. BA paid \$113m last year for an 11.3 per

cent stake in Covia, UAL's computer reservation system subsidiary. BA and Covia together own more than half of Galileo, a European reservations system.

A marketing agreement has increased the number of transfers between the two airlines. BA feeds passengers into United's Pacific and domestic US routes and benefits from transfers onto its transatlantic

After taking account of overall volume growth, BA gets 40 per cent more passengers from United and the US carrier gets 30 per cent more from BA than before the alliance started in

BA also uses United's terminals in Chicago, Denver and Seattle, while the US carrier is due to move into BA's terminal at New York's Kennedy airport late next year. KLM, the Dutch airline, recently took a stake of under 20 per cent in the buy-out of Northwest Airlines' parent, NWA, by Mr Al Checchi, a BA strike, Page 22.

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Assists Schitz: Bahrelo Din0.700; Bermude \$1.50; Seiglem BFr50; Canade C\$1.00; Cyprus C\$0.50; Denmark DKr10.00; Egypt E\$2.25; Finland FnN7.00; France FF77.00; Germany DA2.30; Greece Dr120; Hong Kong HTS12; Icalend DF1120; India Roy16; Indonesia Fp8,100; Iraland ID.60; Israel NSS.50; Israel

MARKETS

STERLING New York lunch \$1.5655 London: \$1.5655 (1.5585) FFr10.32501 (10.36) SFr2.64 (2.645) Y223.5 (224.5)

Cindex 91 (same) COLD New York: Comex Dec-\$373.9 (374.6) \$366.75 (365.25) N SEA OIL (Argus)

Chief price changes yesterday: Page 22

DM1.9555 (1.9685). FFr6.595 (6.6475) SFr1.686 (1.687) Y142.75 (143.85) Tokyo close: Y145.52 HE LUNCHTHE RATES

DOLLAR

New York

FFr6:602

SFr1.687

Y142.75

Fed Funds 87: % 3-mo Treasiny Silist yield: 8.13% Long Sand: 9912 yield: \$16.995 (17.075)

STOCK INDICES FT-SE 100: 2,375.1 (+15.1) FT Ordinary:

1,979 (+4) FT-A All Share: 1.204.75 (+0.5%) FT-A long gilt yield index high coupon: 9,29 (same)

New York Junch Samaritans steer clear of the intifada DJ ind. Av. 2,682.09 (+2.46) Tokyo: Nikkei 35,083,14 (~26,97) LONDON MONEY 3-month interbank:

closing 13登% (same

Japanese chip makers accept EC peace terms

By Robert Thomson in Tokyo

JAPANESE semi-conductor signed agreements with the European Commission to set a minimum price for dynamic random access memory chips (DRAMs) thereby ending a

long-running dumping dispute. Eleven chip producers have signed the five-year agree-ments and are awaiting final approval from the Commission, which is considered in Tokyo
to be a mere formality, given
the Japanese makere believe
the EC has won the concessions that it demanded.
The egreement is likely to

spark protests from European computer and electronic equip-ment manufacturers, who face the prospect of rising costs for these critical components.

The individual agreements signed by the companies in the past week set a floor price at around 9 per cent above pro-duction cost of the DRAMs, and are a eign of the increased willingness of governments to manage the chip trade to avoid international friction. Under the broader 1986 US-

Japan Semiconductor agreement, minimum prices were set according to production costs in individual Japanese

Under the EC agreements, the floor price will be the same for all manufacturers, and the pacts cover the popular 256k and 1 megabit chips, as well as the next generations of 4 and 16 megahit devices.

The makers include NEC, estimated to have about 12 per cent of the EC chip market, Hitachi (9.9 per cent) and Toshiba (9.2 per cent), all of whom were among six compa-

suit filed in March 1987. As well, five companies not cited by the EC, including Matsushita Electronics and Sanyo Electric, have signed agree-ments. Government officials in Tokyo estimate the overall Japanese share of the EC market

at 47 per cent.
An official at one of the companies involved said that the ment is "ontside the free trade system because of the price controls". Therefore, "we have to think that it is not a good thing." But he said that the company "had to agree" if it was to end the anti-dumping threat

Another official in the industry said: "We were not happy from the beginning of this problem, so you cannot say we are pleased with the agreement. The Japanese semi-conductor industry, he said, "is only relieved that the problem is finished".

The EC has viewed this pact as quite different in nature to the US-Japan agreement, in that while the individual agreements are technically a bilat-eral pact, they are more lim-ited in scope.

Japanese chip producers said the floor prices are based on the Fair Market Value (FMV) system used in the US agree ment, though present market prices are above the levels of 1986, when the industry was in

The US-Japan agreement was challenged by the EC through the General Agree-ment on Tariffs and Trade. But the legality of the new EC

China fears prompt fall in HK stocks

By Michael Marray in Hong Kong

THE Hong Kong stock market yesterday once again showed its acute sensitivity to political uncertainty in China, as share prices fell sharply after reports that China's Defence Minister, Qin Jiwei, had been led away by troops loyal to President Yang Shangkun.

The Hang Seng index fell by over 100 points in early trad-ing, with nerves stretched by the prospect of yet more instability within the Chinese leadership as the power struggle continues in the wake of the June 4 military crackdown.

China's Defence Ministry denied a Western news agency report that Defence Minister Qin Jiwei had been arrested. "It's nure rumour-mongering," a ministry official said. Qin was not under arrest, added the official, who gave her name only as Li. As reports came through later in the morning of the official denial investors bought back into the market.

The agency had said in a report from Hong Kong that Qin was seized at his Peking residence on Wednesday evening as a result of a struggle with Yang for control of Chi-

na's military.

Officials in Peking have moved to dampen Hong Kong's hopes of a radical speeding-up of the development of democracy in the territory, telling a visiting consultative commit-tee delegation that China does not envisage drastic revisions to the existing draft of the Basic Law in the crucial area of post-1997 political struc-

China also yesterday under-lined its sensitivity on the Basic Law issue, launching an attack on Mr Barrie Wiggham, the Hong Kong Government's Secretary for General Duties, over a speech made earlier in

In this, he mapped out areas of concern in the drafting pro-cess, including the future political system and the stationing of the People's Liberation Army in the territory.

Mr Wiggham's speech was yesterday condemned by the New China News Agency as "gross interference" in the Basic Law — which it said was a matter for the Chinese Government in consultation with the people of Hong Kong.

Environment 'will be top 1990s issue in Sweden'

By Robert Taylor in Stockholm

THE struggle for a better environment is the most important issue Sweden faces, one taking priority over living standards in the 1990s, according to ruling Social Democratic party's proposed programme for the next decade published

yesterday.
The document outlines what Europe's moet successful labour movement regards as the vital questions for the

It challenges the country's current energy policy, under which the government will phase out nuclear energy between the years 1995 and 2010. This will involve the closure of two out of Sweden's 12 nuclear power stations. It argues that the country's short-term energy policies con-tain incompetible objectives: curbs on carbon and sulphur dloxide emissions from alternative fuels as well as on the use of hydro-electric power. This is expected to lead to slower eco-nomic growth, and higher

Mr Ingvar Carlsson, Sweden's Premier, yesterday backed his heleaguered environment minister, Ms Birgitta Dahl, by saying the current

energy strategy would not be Such differences appear to presage conflict inside the

The day communism surrendered power



The headline in Solidarity's daily newspaper, Election Gazette, reads "Our Prime Minister", next to a picture of Roman Catholic opposition intellectual Tadeusz Mazowiecki, apparently set to

THURSDAY, August 17 may in future be seen as the day Polish communism finally. renounced its hold on executive power - with incalculable consequences for its sister parties across the world, writes John Lloyd in Warsaw. That is John Lloyd in Warsaw. That is certainly how it is seen by the Solidarity leadership: and that perspective gave the front page editorial in yesterday's Solidar-ity daily, Gazeta Wybarcza, a particular resonance. The editorial, most of which is reproduced below, was written by the editor, Ernest Skalski:

"It seems almost certain that in this (coalition) government, the Polish United Workers

Party (communist) will handle the ministries of defence and the interior. Perhaps others. It is a result of the opposition's understanding and willingness

"In the original proposal Lech Walesa expressed readi-ness to form the whole govern-ment by Solidarity. In the second version he wanted to create a government with United Peasant Party, and Democratic Party without the communists."

"Now we finally agree to a grand coalition, but without giving up our basic, fundamental philosophy. The leading force in this government will not be the PUWP – from

over by Solidarity."

"What for many days seemed an impossible political fantasy for Welesa turned out to be a perfectly conducted political manocuvits.

"As proof that this day is more than just the reasxangement of forces in politica, we can point to the result of the vote in the Seim (Parliament)

— a vote condemning the intervention in Czechoslovskia of 21 years 250. Practically all the members of the party bearing historic responsibility for participation of Poles in this action voted for the statement. A similar statement from Hungary brings a new quality into

the communist bloc.

"Such breakthroughs begin more than they end. The closing of a certain historical period is less important them the shape of the one which we must now treats. It is important that what Lech Walesa called a few days ago the "deep reform" will pow take place. At present there are great opportunities that it will be a beginning of a fundamental change of the political system and only under such conditions does this historical undertaking make sense.

the communist bloc.

undertaking make sense. (Translation: Nina Kowa

mis.

gary brings a new quality into

Conservative neighbours cling to old attitudes

By Our Foreign Staff

Poland's first AS POIAIG'S ITST
non-communist government in
40 years prepared yesterday to
take power, its conservative
neighbours again expressed
support for the Soviet-led invasion of Czechoslovakia 21 years

ago on Monday.

The invasion, which crushed the Prague Spring reform movement led by Mr Alexander Dubcek, then leader of the Czechoslovak communist party, has been condemned by both the Hungarian communist party and by the Polish Sejm (Parliament) which met

on Thursday. on Thursday.

But as Hungary and Poland forge ahead with political change, Czechoslovakia yesterday looked to East Germany as one of its few remaining allies. one of its few remaining affies.

"Socialism was jointly defended and a change in the political and military balance of power in favour of imperialism was thwarted." Neues Deutschland, the East German party paper yesterday commented.

The East German media has heen particularly cautious about reporting on the extraor-

Mr González's instincts would be to wait out his full second term, but he is being

South Africa

THE South African authorities

pesterday took steps to clamp down on anti-spatheld activ-ity in the country, detaining the chief organiser of the cur-rent deliance campaign and benning a hig anti-spartheld

rally.
Police had shown restraint

in dealing with protest activity in recent weeks, but yester-

day's moves appeared to

reflect a tougher line on oppo-sition. An earlier incident, in

which police used horsewhips and buckshot to disperse strik-

ers at a Johannesburg pie fac-tory, also indicated a harsher

By Patti Waldmeir

in Johannesburg

dinary changes taking place in Poland, fearing, as they did in August 1980, when Solidarity was founded, that it is only a matter of time before the reform process leads to growing discontent in those countries which have proved the most resistant to change.

For its part, the Caechoslovak medie has rapeatedly warned against what it termed anti-socialist demonstrations on Monday.

on Monday.

On August 21 last year, thou-sands of young Czechoslovaks took to the streets, demanding

greater freedom. And since then, despite the heavy use of force, the younger generation demonstrated in January and demonstrated. In January and again in May for democracy, Many of the country's leading dissidents have been told to leave Prague over the next few days, while others have left voluntary, searing arrest or injury in any clashes with the police.

police.
Meanwhile, it is understood that cinemas and theatres have been ordered to close on Sunday in order to dissuade people from entering the city.

Speculation about early Spanish poll

SPECULATION is growing in Madrid that Mr Felipe González, the Prime Minister, will call a snap election this antumn before his Socialist government impress a tough government imposes a tough monetary and fiscal regime to deal with an economic crisis. The government does not have to hold national elections until June next year but tha possibility that Mr González would move early was heightened yesterday when his deputy, Mr Alfonso Guerra,

appeared to come out publicly in favour of an early poll. Mr Guerra, in a radio inter-view to be broadcast today, said: "My impression is that everyone wants an election everyone wants an election now. Everyone is prepared. If the president of the govern-ment [Mr González] decided not to call an election then he would be alone." Mr Guerra is Mr González's oldest and clos-est political associate.

He does, however, also have a dangerous sense of humour

and political analysts in Madrid yesterday were suggesting he may simply have been try-ing to panic the opposition par-ties. Neither of the two main right-wing parties, the Partido Popular and the Centro Democratico y Social, are in any con-dition to fight an election. Both lost badly in the European Par-Elamentary elections last June. The PP does not have a candidate and the CDS is in the process of moving its policies fur-ther to the right.

second term, but he is being pressed by certain ministers to call an election now before bringing in a budget for 1990 and before Spaniards pay their taxes in November. With consumer spending growing at more than 20 per cent, the deficit on the current account of cit on the current account of the balance of payments likely to triple this year to \$11bn and inflation at 7.4 per cent, the budget is likely to be tough. Anti-apartheid crackdown in

Hopes rise for end to Ethiopia's 28-year 'unwinnable' war

By Julian Ozanne in Nairobi

TALKS due to open next month in the US will bring together two of the most obstinate foes in Africa's long catalogue of civil wars — the Ethlo-pian government and the separatist Eritrean rebels — in what could mark the most positive step yet towards peace in the war-torn Horn of Africa. The announcement this

week by Mr Jimmy Carter, foras intermediary in the talks on September 7 in Atlanta, comes in the wake of increasing international pressure on the military regime of President Men-gistu Haile Mariam, and a recognition by both sides that after 28 years of conflict, the war is unwinnable.

The Ethiopian government has good reason to sue for peace. Military setbacks and a foiled coup d'état this year weakened the regime and exposed widespread opposition in the army to the conscription of teenagers which has fuelled

the military machine.
The Soviet Union, Ethiopla's main backer, has made it clear it is no longer prepared to bail out its satellite regime with multi-million-dollar injections of military hardware.

By Lionel Barber in Washington

US consumer prices rose a

modest 0.2 per cent in July,

taking the annual inflation

rate to 5.5 per cent over the past seven months, the Labour Department said yesterday.

The White House applauded the news as evidence that

inflation was falling, and said it would ease upward pressure

The administration's comments signalled further official pressure on the Federal

on interest rates.



The rebel Eritrean People's Liberation Front (EPLF) realises the war has ground to a stalemate, with 160,000 Ethio-pian troops holed up in wellfortified garrison towns in Erl-trea. And, after 28 years, the Eritrean people are among Africa's poorest.

If successful, the talks could put Ethiopia, one of the world's

US inflation running at 5.5% a year

Market committee, which must

decide whether to ease credit

in a sluggish economy.

The July increase in the

Consumer Price Index (CPI),

the broadest gauge of inflation,

matched the 0.2 rise in June.

But some analysts suggested that while inflation is being held in check, it has not been

Stripping out the often vola-

tile energy and food costs,

prices rose 0.4 per cent in July. On the surface, the CPI infla-

least developed countries, on the path of economic progress. The war consumes 50 per cent of the country's budget, and has auffocated industrial and agricultural development

Peace in Ethiopia could have a knock-on effect on the civil a knock-on effect on the civil war in Sudan, as both rebel groups rely for their lines of supply on the neighbouring countries. It could pave the way for a lessening of superpower tension in the region, allowing Moscow and Washington to reduce support for Ethiopia and Somalia.

But there are hope obstacles But there are huge obstacles

have consistently called for a referendum on Exitrea's relationship with the central government in Addls Ababa. Few doubt this would result in a vote for independence, unacceptable to a government which insists on the territorialintegrity of the country.

The government has offered

and reveals a distinct modera-

tion from previous reports. But

ments," said Mr Allen Sinai,

chief economist at Boston

A sharp 0.7 per cent fall in energy prices helped improve the July inflation figures. The food and beverage index rose

only 0.3 per cent, though cereal and bakery products continued to advance heavily, up 0.9 per cent in July and 9.2 per cent

tha paet

12

Company Advisors.

A factory spokesmen said police charged a crowd of 450 workers after shop stewards became "agitated" in their discussions with management. "Shots were fired with shotguns," police said. They said Eritrea antonomy, a solution which falls far short of the EPLF's nationalist sentiments. Between these two hitherto die-hard positions lies the com-promise of federation, with Erifour people were injured, while the company put the fig-ure at 17 or more. Some had trea having substantial executive powers. To accept this would involve a significant climbdown by both sides. buckshot wounds. Mr Carter will need all the skills and experience drawn from the Camp David accord if

Further confrontation appeared possible following the arrest of Mr Mohammed Valli Moosa, acting general secretary of the United Democratic Front, an umbrella anti-apartheid organisation which this year had its activities restricted under the countries. try's state of emergency. Mr Valli was understood to have been arrested under emergency regulations intro-

duced three years ago to crush black dissent.

Mr Valli was the chief organiser of the anti-apartheid defiance campaign which has organised several protest actions in recent weeks.

 Anti-apartheid groups in South Africa must in future disclose the source and pur-pose of all money they receive from abroad, Justice Minister Kobie Coetsee said yesterday, Reuter reports from Cape

Arab nations' split on Lebanon deepens By Andrew Gowers in London and George Graham in

THE split in the Arab would over Lebanon despensel yester-day as fighting between System forces and treores loyal to Major-General Michel-Acau, the Christian army com-mander, flared on a new front

mander, light op a new front north of Beirut.

Meanwhile, France called for an emergency meeting of the 12 European Community nations to "put in place rapidly a humanitarian aid plan for

a humanitarian aid plan for Lebanon"
In Baghdad, President Saddam Hussein sought to enlist support from King Hussein of Jordan and Mr Yassir Arabat, the PLO leader, in his campaign against Syria's military presence in Lebanon. Mr Tariq Aziz, Iraqi Foreign Minister, wrote to the Arab League secretary general accusing Syria of "threatening the existance of the Arab League" and of subotaging the organisation's mediation efforts.

ation efforts.

The Iraqi leader's moves came smid reported attempts by the League's committee on Lebanon - comprising Saudi to revive its diplomacy with political reform. But increasing polarisation between Syria and other League members will in the zone.

make it harder to set up nego

rospects for a lasting truce were further dampered by the fresh tank and artillery battles at Madfoun, on the front line between the Christian enclave and Syrian-held territory north of the Lebanese capital.

France's request for an emergency RC meeting was another sign of its desire to maintain the flagging momentum of peace efforts, following the IIN Security Council's ceasefire

Security Council's ceasefire call this week. Senior EC offi-cials are expected to meet on Monday in Paris to put the

plan in place.

Mr Michel Rocard, French
Prime Minister, hinted the
French aircraft carrier and destroyer ordered to the east-ern Mediterranean could be used to stop shelling during a humanitarian operation. "There can be no question of letting aid teams be bom-barded," Mr Rocard said. "We

will have to impose a localised and temporary silence on the guns while humanitarian The aircraft carrier Foch is proposals for a ceasefire and dua to set sail today, joining the destroyer Duquesne and two other navel vessels already

Test for Gaza security cards comes tomorrow

By Tony Walker in Jerusalem

A TRICKLE of Arab workers travelled from the Gaza Strip into Israel yesterday, defying calls to stay at home in protest at the introduction of new security cards.

Israel had introduced the new system in an effort to

tighten security inside its own horders. Arab men without plastic identity cards are not permitted to cross into Israel. At least 60,000 Arabs from the Gaza Strip travel regularly to Israel for work. Israeli anthorities say about 60,000 identity cards have been issued

in Gaza, the population of which totals 650,000. Palestinian activists confiscated cards in a bid to enforce calls for an indefinite boycott of work in Israel. Conflict over the identity cards is the latest episode in a continuing tug-of-war between the authori-ties and the Palestinians.

Typical of the dilemma facing many impoverished Gaza Strip residents was thet of Mahmond Abu Aziz, whose livelihood depends on him finding work in Israel itself. "We are caught in the middle," Mr Aziz said yesterday, before crossing into Israel.

The real test of strength

comes tomorrow - a normal working day in Israel after the Arab Friday and Jewish Saturday holidays. Some 25,000 people are expected to pass through the Israeli-manned Erez checkpoint tomorrow.

The Israelis insist the traffic yesterday was normal. "What you were able to see this morning was the normal flow to

work, despite the recent call to the population to strike and refrain from leaving for Israel." Brig-Gen Zvi Poleg, army com-mander of the Gaza Strip, told Israel Radio.
The anthorities said they had arrested three masked Gaza youths suspected of try-ing to block Arab workers from

travelling to jobs in Israel. The identification cards are issued only after a security check and payment of outstanding taxes and fines. Peo-pla with criminal records known political activists are denied a card.

Arab workers in the West Bank have been asked to boy-cott their jobs in Israel for a week in solidarity with their Gazan counterparts.

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Reserve ahead of next week's meeting of the Federal Open tion looks very encouraging, Sialkot's craftsmen have the football business all sewn up

When World Cup champions score their goals in the West, this is where the ball comes from, Christina Lamb reports N almost every house in the othfilled with leather hexagons make 400,000 footballs. He is so committed erwise unremarkable town of

Sialkot, people are busy stitching footballs. When Diego Maradona scored the winning goal against England in the 1986 World Cup. enabling Argentina to go on and clinch the title, this is where the ball came from.

Sialkot is one of the world's biggest producers of top-class footballs and the single largest exporter of

footballs to Europe.

Some 25m footballs are axported every year, stamped with the leading brand names in the sports world. Adidas, Puma, Mitre and Select all import their footballs from Sialkot. Although football is hardly played in Pakistan, the people of Sialkot have been making footballs for 100

The industry began when a locally-stationed British officer sent a foothall to a local leather craftsman to be repaired. After much experi-menting, he succeeded in copying the ball and presented a prototype to the officer's unit. The making of laced leather footballs soon grew into a large cottage industry selling them to other parts of what was then British India.

In the 1970s, leading sports manufacturers such as Adidas realised the potential of Sialkot, with leather and skilled labour both available cheaply

- and brought in their technology.
Although most of the world's footballs are now synthetic, they are still band-stitched and thus expensive to make. Today, Sialkot foothalls are used everywhere from Japan to the US and the industry



earns \$60m (£37.5m) in foreign exchange a year. Every day, fleets of Suzuki vans more than 700 sports goods factories,

deliveries to the 15,000 people involved in making footballs. The top stitchers make two to three balls a day, earning Rs15-20 (66p) for each

Over

According to Mr Yunis Ratra, president of the Sialkot Chamber of Commerce and Industry, Sialkot has the highest per capita income in South Asis, averaging around \$75 per month - more than twice Pakistan's national average.

Reading skills are essential to ensure that the 32 hexagons comprising each football are put together properly, with the logo in the correct place, and Sialkot claims one of Pakistan's highest literacy rates, of above 35 per cent.

Mr Ratra claims that Sialkot, with

is Pakistan's second biggest foreign exchange earner after Karachi, but the town shows few signs of it.

ains turn the roads to muddy tracks, there are no decent hotels, and Mr Ratra complains that delegations from the numerous international companies now linked with local ones cannot believe it when they arrive.

Mr Amin Javed is the director of

Sublime, one of the higgest football factories, exporting to Europe, the US and Japan. In the 1970s he began selling 100,000 footballs to West Germany, and in 1975 won an agreement with Adidas, which brought designs and technology to make sure his footballs were of the right quality. It was followed by Molten of Japan. Mr Javed now exports more than

to the game that even his factory mosque is shaped like a hall. Sublime is one of two factories in Salkot producing footballs for Adidas. Mr Javed'a team is now perfection. ing the Tango and Como models, which will be stitched by women in Sialkot, to be used in the 1990 World

Cup in Italy.

A huge pile of bright pink footballs stamped with the Sublime logo lies gathering dust in the corner of the factory as workers busily pack the new Adidas models for shipping. Mr Javed explains: "They are exactly the same ball but the first sell a few thousand, and the second hundreds of thousands. No one will

buy our balls but when we add the Adidas logo, they sell like hot

UK NEWS

Canadian group plans recycled newsprint plant

ger, which is controlled by Mr Conrad Black. Thomson has

important newspaper publishing interests in Britain and

Hollinger owns the Daily Telegraph. Mr John Tory, president

of Thomson Corporation, Thomson Organisation's Cana-dian parent company, is on the

Neither Thomson nor Hollinger was available for comment

board of Abitibi.

ABITIBI-PRICE, the Canadian paper manufacturer, hopes shortly to go ahead with con-structing a large newsprint plant at Gartcosh, near Glas-gow, which will use recycled newsprint as its main raw

resterial.
Yesterday Abitibi-Price said it had reached agreement giving it exclusive rights to take over the project from North British Newsprint, a Scottish company which had developed the scheme.

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The Canadian company plans to make newsprint for the UK market at Gartcosh and wants to complete negotiations with "several potential part-ners" in the next two months. These partners, who would take equity in the project, are thought to include UK newspaper publishers with Canadian connections.

Abitibi said that going ahead with the scheme also depended on obtaining UK government assistance, getting final regula-tory approvals, finalising the finance for the project and securing the approval of the boards of both Abitihi and

North British Newsprint.
The project, which will cost £180m, is to instal a mill with an annual capacity of 205,000 tonnes of newsprint a year. It should directly employ 240 workers and a further 100 in

waste paper collection.
Construction, which will take about two years, should begin some months after final agreement is reached and the plant should be on stream early in 1992, Abitibi says.

The factory will be the one of the largest newsprint plants in the world designed from scratch to consume recycled waste paper. It represents Abi-tibi's first venture in manufac-turing in Europe, although the company - the second biggest newsprint producer in the world - is already an impor-tant supplier in the UK.

Mr Linn Macdonald, executive vice president, said: "This exciting project will help us further our position in the UK. one of the world's most impor-

tant newsprint markets."
There is speculation that Abitibi's potential partners in the venture include the Thomson Organisation and Hollin-

Growth in money supply slackens

By Peter Norman, **Economics Correspondent**

THE TWO main measures of

THE TWO main measures of UK money supply grew more slowly in July, adding to the credibility of other indicators that showed the economy to be slowing down.

MO, the narrow money supply measure consisting almost entirely of notes and coin in circulation, grew by a seasonally-adjusted 0.3 per cent last month and by 5.3 per cent month and by 5.3 per cent compared with July 1988, according to provisional figures from the Bank of England. This compared with seasonally adjusted increases of 0.7 per cent and 5.9 per cent

ger was available for comment.

The Gartcosh project, which will be on the site of a British Steel mill that closed in 1986, was concelved by Stirling Fibre, a Scottish paper company. Its subsidiary, North British Newsprint, originally intended to implement the project in partnership with a paper manufacturer.

North British Newsprint has seasonally adjusted increases of 0.7 per cent and 5.9 per cent in June. The unadjusted increase between June and July was 1.9 per cent.

M4, which includes hank and building society deposits, increased by a seasonally-adjusted 0.6 per cent in July and by 17.1 per cent compared with July last year. In June, the seasonally-adjusted increases for M4 were 2.4 per cent and 19.2 per cent respec-North British Newsprint has already obtained conditional offers of finance, including a £75m loan from the European Investment Bank, and has had discussions with the Scottish Office on a government aid package. Yesterday, Lord Sanderson cent and 19.2 per cent respec-tively. The unadjusted increase between June and of Bowden, a Scottish Office Minister, said he was delighted

July was 0.9 per cent.

The Bank disclosed that hank and huilding society that preliminary agreement had been reached. He looked forward to details being worked ont with Locate in lending grew by a seasonally-adjusted £6.9hn in July, com-pared with £7bn in June and a The price being paid by Abi-tibi to North British Newsprint is not being disclosed. Mr £7hn monthly average over the previous six months. The lend-ing increase was, however, Christopher Wilkins, North higher than the £6.5bn aver-Christopher Wilkins, North British Newsprint's chairman, called it "excellent news for the project and for Scotland." The Gartcosh plant, although using wood pulp for 15 per cent of its input, will require 230,000 tonnes of old

age of City forecasts.

With the latest figures, growth of M0 has fallen to its lowest annual rate since February 1988 and has come close to the Government's target range of 1 per cent to 5 per cent growth for the current

financial year.
However, a sharp 9.5 per cant increase in the seasonally-adjusted annual rate of M0 during the three months to July suggests that the period of decelerating growth rates may be coming to an end. Bank officials could offer no explanation for this increase in the three-month figure, not-ing only that this series is erratic and as recently as March was indicating a con-traction in the supply of nar-

You money.

A separate statement from the Committee of London and Scottish Bankers yesterday showed that the clearing bank lending to the private sector in Britain increased by a season-ally-adjusted £2bn in July compared with £1.9bn in June.
The CLSB said the bulk of the lending continued to be to companies and may have

reflected corporate tax paying. Personal borrowing was weak. Lending by the banks for house purchase increased hy an unadjusted £213m to show the lowest monthly rise since data was first published in October 1966.

Growth in lending for private consumption also fell to an unadjusted £42m. Kidder Peabody

redundancies By Richard Waters

THE London office of Kidder Peabody, the US investment bank, has cut the number of people involved in sales and trading support hy 17, reflecting the growing automa

tion of such functions.

Mr Brian Kimball, head of administration. said Kidder. which was not cutting back any of its trading operations, hed invested millions of pounds in technology to enhance its support

Lloyds 'close to resolution' of **Abbey National share claims**

LLOYDS BANK said yesterday that it is close to resolving all outstanding claims enrrounding the Ahhey National share issue.

It also promised to pay compensation to Ahhey National shareholders who

received their certificates late.
The compensation will include interest on refund cheques and any costs on funds borrowed temporarily to buy the shares, as well as out of pocket expenses on telephone calls

and letters.

Abhey National has also agreed to open special accounts backdated to July 12 for come missing refund cheques. More than 460,000 replacement share certificates have so far been mailed to Abhey National shareholders who should have received them on about July 12.

Mr Alan Moore, Lloyds director of corporate banking and Treasury, said yesterday that 500,000 out of a total mailing of 4.3m chare certificates and related desumnts had come astrony documents had gone astray. Some of the missing certificates are believed to have been burned in two skips ontside the premises of mobilise the necessary sources

By John Griffiths

ERF, the independent truck

maker, is cutting production and shedding 65 of its 1,100

workers in response to early signs that the UK truck market is approaching a downturn.

Mr Cyril Acton, managing director of the Cheshire-based

company, described ERF'e move as "no great shakes -it's a slight adjustment

to take account of a downturn for which we had budgeted at the start of the year and have been preparing for since

ERF was brought to the

brink of bankruptcy hy the world truck market recession

at the start of the 1980s, when its workforce was halved to 600 and production was

Alan Moore: very much

Business Mailing Services, a direct mail firm in Greenwich. handling about a fifth of the issue. Mr Moore said: "We very

mnch regret what has happened and have publicly apologised to Abbey National and its shareholders but we do believe that our speedy action, once the problem of non delivery became apparent,

trated on creating an operating structure able to make rapid

adjustments to reduce over-

heads in the event of adverse

market change. ERF appears to be the first UK-based truck maker to take

such corrective action, even though its share of UK truck

sales is continuing to rise.
ERF's 2,568 sales in the first
seven months of this year represented a rise of 25.76 per cent

over the same period last year, whereas the market overall rose by only 9.78 per

Its sales in July were also

np, to 227 from 189 in the same

month a year ago. However it was the 3.5 per cent drop in the

total July market, plus a discernible falling off in orders, which prompted the

He said that Lloyds Bank would await the outcome of the police inquiry into the burning of the certificates

Lloyds has not responded to a request from Business Mailing Services to publish an apology for statements about the hurning of the share certificates. Solicitors acting for Business Mail Services have also served writs on various national newspapers, alleging defamation. The Financial Times has received a wrlt relating to an advertisement

Mr Moore defended two teams of investigators from Lloyds Banks who tried between July 16 and July 28 to discover where the missing certificates had gone.

The Post Office said yesterday it was satisfied that its system of issuing dockets and sample - checking that mail had actually heen received was satisfactory. It said: "We have handled

several major flotations in the past with no problems. We will have to await the outcome of the police investigation for more information."

Further evidence of a com-mercial vehicles downturn

came with the recent publica-

tion of provisional production

statistics from the Central Sta-

tistical Office which reported a

sharp seasonally-adjusted drop to 18,300 in the number of com-

mercial vehicles produced in July, from 29,000 in July last

year.
Taking the latest six-month

period as a whole, commercial

vehicle output was down 11 per

cent on the previous six

Car production is continuing

ERF cuts production and 65 jobs ahead of truck market downturn

By Hazel Duffy

underwritten hy seven share-holders, the Church Commissioners, Kleinwort Benson, Norwich Union, Pearl Assur-ance, Provident Mutual, Pru-dential Assurance and Scottish

Environment Secretary, formed the Financial Institu-tions Group to stimulate private sector involvement in the inner cities. Its aim was to show that property develop-

The rights issue was made possible partly by the successful outcome of ICE's interest in

larger development programme the Financial Institutions particular, we shall be expand-ing our partnership ventures with local authorities."

C&G and Bedford societies to merge

By David Barchard

CHELTENHAM & Gloucester, the eighth largest huilding society with assets of £6bn, is to absorb Bedford Building Society in a marger. Bedford is a one-branch society with assets of only £48m and 9,500

The merger is the first to be announced since Ahhey National's stock market flotation last month. It will be a test case for the industry where mergers have been common until recently and have gone through without opposi-tion from members.

Cheltenham & Gloucester has absorbed aix smaller societies in the last two years, helping it establish an impressive track record as one of the fastest growing and moet dynamic of the top 10 societies. However many building society executives believe that the

Abbey National flotation may have made mergers between societies much less easy. Though members of a emaller society gain some

Bank will buy back

advantagee from joining a larger society, such as a better interest rate, these are insignificant compared with the cash hand-onts they would get if their society was de-mntualised and taken over hy a

newspapers and magazines a year, most of which will be col-lected in Scotland, as well as in

Northern Ireland and the north

of England to feed the mill.

North British Newsprint is already running pilot projects on collecting old newspapers.

It does not envisage paying households or offices for them

but hopes for co-operation from

local authorities whom it should relieve of nearly 40 per cent of their waste disposal... "I don't expect to get the paper for nothing, but I don't expect local authorities to get

this vast reduction in their

costs for nothing either," said Mr Wilkins.

company.

The Ahbey flotation vote indicated that the steep voting requirements for this — 50 per cent turnout and 75 per cent in favour — can be met easily. However, a members' revolt at Bedford looks unlikely because of its small size. of its small size.

Mr Gary Payne, the chief executive of Bedford, said yesterday: "We are a local lender with a strong emphasis on quality lending, and over the last five years we have lost six of our main sources of mortgage husiness such as estate

"Building societies can be acquired by commercial companies, but I would not have thought that we were of sufficient size to appeal to any," he added.

attracted over 1m people from all over the world to see floats,

steel bands and colourful cos-tume displays, has in the past been marred by street crimes riots and violence, including a

murder two years ago.

Heavier policing last year reduced the number of crimes

reported at the event to 27,

compared with the 284 crimes reported in 1987. However, this

success has not been reflected in the festival's management.

organised by the board of the Carnival Arts Committee. By last year's carnival, the organi-

sation was racked by internal

feuding, had debts of almost

£200,000 and assets of only

\$2,000. The report on an inves-

tigation by the fraud squad is now being prepared for sub-

mission to the Director of Pub-

hic Prosecutions.

A 1968 report into management of the carnival hy Coo-

pers & Lybrand, the manage-

For 12 years, the event was

car production is communing to rise sharply, however. Output in July, at 123,000 units, was 16 per cent higher than in July last year and 7 per cent higher in the most recent six-month period compared with the previous six Since then, Mr Peter Foden, ERF's chairman, has concen-Machine tool makers calm as Japan's import restraint ends

By Kevin Brown, Transport Correspondent

THE ABOLITION of a voluntary restraint arrangement limiting imports of machine tools from Japan is not expected to cause immediate problems for UK manufacturers, the Machine Tool Technologies Association said yesterday.

The arrangement, which covered numerical controlled lathes and machining centres, was negotiated several years ago by the association and the Japan Machine Tool Builders' Association to offer protection from imports to the UK

However, the UK Government signalled its desire for the abolition of the agreement in April when Mr Alan Clark, the former Trade Minister, told parliament there was no justification for it to

Mr Clark's statement followed pressure from importers who claimed the UK



Alan Clark: 'under pressure'

Japanese products. Mr John Nosworthy, director general of the MTTA, said the

Mr Nosworthy said UK industry was now strong manufacturers would face enough to compete with more open competition,

import restrictions in the arrangement had been lifted from June 30.

although the association was still in negotiations with its Japanese counterpart. However, it was "questionable" whether Japanese imports would increase hecause of the

strength of the yen and improving demand in the Japanese domestic market. Mr Shinshichi Ahe, executive director of the

Japanese machine tool association, said he was pleased that the restrictions had been lifted because the arrangement was a barrier to free trade. Japan accounted for around 10 per cent of machine tool

imports to the UK last year, which were worth just over £411m. West Germany, which took 15 per cent of the market, was the largest imports source.

The UK industry exported machine took ports of the worth £350m of machine tools worth £386m, of which £146m went to other EC countries, and £62m to the US.

Exports to Japan were negligible.

Hopes fading fast of a profitable carnival

Joel Kibazo looks at attempts to improve the management of the Notting Hill event

gilts in the autumn THE BANK of England said last night that its next "reverse auction" to buy back gilt-edged government securitiee was likely to be held in late September or early October, writes Peter Norman. A further reverse auction may be held in

EDUCATIONAL



BY TOTAL MATLIAAL IN MERSION with french participants for ? Nonshop days in the DORDGENE OULA VALOUZE MI. 53 \$1 44 28 J LLolevro CIEL, 87. 1660 24470 LA ROCHE CHALAIS-Franco

PERSONAL

ment consultancy group. UST A WEEK before this which was commissioned by members of the CAC, said: "Few of those involved seem year's Notting Hill carni-val, staged every August bank holiday, the new organisers hope of making the event a commercial success for the first time in its 30-year history aware of the magnitude of the planning, management, finan-cial, logistics, safety, and security tasks involved in the carare fading fast.
The festival, which last year

Among the report's recom-mendations was that a board with wider membership and skills be appointed and a better budgeting system be devised.
Last April, Mrs Claire
Holder, a harrister who in
March had been elected chairman of the CAC, persuaded members to liquidate the body she headed and form in its place the Carnival Enterprise Committee (CEC) to run this year's carnival, along the lines

recommended in the report.

Mrs Holder said: "My goal is
to make the carnival an efficiently managed all-year-round industry, particularly by taking advantage of the possible spin-offs from it. We simply can't go back to the old ways."

A new nine member board of people with various profes-sional skills was quickly put in place, an accountant employed to introduce a system of finan-cial control and accountability

and the price of licencee to

operate the lucrative roadside stalls was raised to £100, after having remained fixed at £55 for a decade.

Mr Colin Francis, now on the CEC board and the head of the

North Kensington task force, part of the Government's drive for inner city regeneration, said: "There is no doubt that carnival has been mismanaged. Managed well, it could be a flagship for race relations and it could be used as an engine for the economic regeneration of the North Kensington area." But with days to go before this year's carnival, the organisers' plans for ushering in an era of well-organised carnivals are in trouble, and the prospect

of making a profit this year is diminishing by the hour. Grand plans for a week of carnival events at Wormwood Scrubs prison have been cancelled due to lack of sponsorship. Instead, events on a "smaller scale" will be staged at the Commonwealth Institute, Kensington, next week-

Public bodies such as the Arts Council and the Commission for Racial Equality, which last year funded the carnival with £300,000 - money spent on administration, paying stewards and the etaging of pre-carnival events - have been deterred this time by the carnival's history of poor management

So far only £110,000 has been pledged by the borough of Ken-sington and Chelsea, where the don Borough Grants' Scheme. The Arts Council has given £50,000 to the hands taking part, as it did last year, hnt confirmed it was withholding £50,000 due to the organisers for administration, "until we are eatisfied improvements recommended in the Coopers & Lybrand report are being carried out."

Attempts to attract commercial sponsors hy offering events named after the sponsors at a price of £20,000 and prime sites for hanners at £1,000, have also proved fruit-

Pink Lady, the sparkling perry drink made by Showering, the drinks group, will remain the only non-hlack company to feature on 1989's floats and posters, and is spending £20,000 on sponsor-

Mrs Holder believes sponsors were frightened off the carni-val by a House of Commons meeting for prospective spon-sors which was disrupted by the supporters of the liquidated CAC. They say Mrs Holder is "selling out to the hig husiness people." But Mr Ed Straw, a director

at Coopers & Lybrand who compiled the carnival report, said: "Carnival has got some history to live down before it can attract sponsors. Sponsors don't want to be associated with an organisation that is not professionally managed." Despite the prospect of com-mercial failure, this year's car-

nival may turn out to be the safest yet. Police have established a good working relationship with the Carnival Enterprise Com-mittee and are pleased that the CEC has decided to bring in Mercury Security, a private company, to organise the 300

civilian stewards. Mr Charles Rideont, Metropolitan Police Deputy Assistant Commissioner for West London, who is in charge of the film operation of policing the carnival, said: "This year's stewarding operation is not perfect, but it is an improvement and was perhaps the best that could he done in the short time available." huoyant exports in recent years, in spite of the strength of sterling. The mills of York-shire and the Borders have found it more difficult to sell to the US, where the problem of the strong pound has been compounded by the weakness

have hecome increasingly

important as a way of counter

domestic market.
The industry has enjoyed

ing the depressed state of the

of the dollar.

The European market hae remained resilient and sales to Japan have risen rapidly. The Japanese are attracted to the traditional cachet of British cloth. The exclusive worsted weaving mills in Huddersfield have found a lucrative new market of selling luxurious cloth to Japan as corporate gifts. The most elaborate cloths

even display the mill's name in real gold thread. Mr John Ward, director of the NWTEC, said every area of the industry, except spinning, had experienced an increase in exports during the first half of the year. But he expected the overall rate of export growth to slow down in the closing months of the year because of changes in currency and

Inner city group expands with £8.7m rights issue

Wool textile exports

after first half peak

expected to slow

THE WOOL textile industry

succeeded in boosting exports to record levels in the first half

of the year, hut the rate of growth is expected to slow

down over the next few

The latest statistics from the Bradford-based National Wool

Textile Export Corporation

show that exports rose by 14 per cent to £356m in the first six months of this year. This means that the industry is almost certain to beat the pre-

vious full-year record of £613m

wool to weaving cloth. The

industry, with a workforce of 40,000, is concentrated in the traditional wool towns of Yorkshire and the Scottish Borders.

Since the start of the year

the wool textile companies,

particularly those concentrat-ing on the lower end of the

market, have heen beset hy

sluggish sales and poor profit-ability in their domestic mar-

ket. Some companies have had

to resort to short-time working and ehedding labour.

months.

INNER City Enterprises, which was set up by the financial institutions in 1983 to invest in inner-city renewal projects, has expanded its equity base hy \$8.7m with a rights issue to its 61 chareholders.

The issue has been fully

ICE is an unlisted public company. It was set up after Mr Michael Heseltine, then the ment in these areas could earn a return for shareholders.

London Industrial, which was set up to retain and manage part of the former Greater London Council's industrial estates. The nominal investment two years ago is worth

ICE said: "Now we have the resources to mount the much Group had in mind for ICE. In

NatWest 🕶 Registrars Department

National Westminster Bank PLC

announces that the results of the polls conducted at the 3rd Annual General Meeting of

British Gas plc

held on Thursday, 17 August, 1989 at the National Exhibition Centre, Birmingham are as follows:-

Resolution 11 (Amendments to Article 93)

Votes against 597,428,621 Resolution 12 (Appointment of Mr N. Falconer as

a director of British Gas pic). Votes in favour 89,378,007

602,040,245 Votes against Both resolutions were therefore defeated. 18 August, 1989

GRANVIL SPONSORED SECURITIES 10.3 3.0 | 100 | 105 | Bremnin | 104 | 100 | Brembili St. % New C.C.R.F. | 288 | 285 | CCL Group Ordinary | 288 | 176 | 188 | CCL Group 11% Conv.Pref | 170 | 220 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 2 5.1 3.6 86 . 3.5 12.9 9.4 -8.0 6.7 5.5 40 12.4 3.2 10.1 9.4 -2.7 10.8 6.9 5 6 9.4 4.8 28.2

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Sep. 1975/1984 +5 Sep. 2370/2380 +15 Sep. 2656/2698 +2

Prices taken at 5pm and change is from previous close at 9pm

Last doubts vanish about strength of squeeze

London's priciest stores, starts scrabbling for customers' small change, any last donbts over the effectiveness of the Chancellor's squeeze must vanish. The strain started to show last weekend, when the Knightsbridge monolith showed 15 senior executives

By Thursday, it was trying to pull in the masses with fullpage newspaper advertisements promoting cheap Bat-

This bas been an eventful week for companies dependent on consumer markets, with several pointers to shrinking consumer spending. The effects of the squeeze were confirmed by Monday's official figures for July, showing retail sales volume 0.6 per cent less than in

This underpinned the findings of last weekend's Confederation of British Industry/Financial Times survey of compounded the gloom evident

UK retail sales

130

A long period of rapid growth in retail sales has come to an end. In the last four years, volume has grown by almost 6 per cent a year, but figures this week showed that sales were virtually no higher in July than a year ago.

FT writers examine the implications of the new trading cli-mate for shops and manufacturers. Reports by Paul Cheeseright, Christopher Parkes, Alice Rawsthorn and Maggie Urry

in the trade's forecasts for August, which were the most pessimistic since the survey began in 1983.

In the past few days, MFI and Lowndes Queensway, the leading furniture retailers, have both undergone difficult refinancing operations forced on them by trading conditions which strained their capacity to service their debts.

Savage Group, a prominent distributor of Do-it-Yourself products, warned of profits for the year just ended "only slightly higher" than the previous 12 months and feared the sluggishness would continue.

There is more bad news to come. Redundancies are expected next week in the domestic appliances industry, where vol-

Volume per week

ume sales are down by at least 10 per cent and profits by as much as 20 per cent.

None of the leading appliance companies contacted this week expected any improve-ment for at least 12 months, although a good old-fashioned British winter might do something for heater sales.

While the summer continues, bowever, electric fires and winter fashions are still far from people's minds. While the squeeze goes on, people are increasingly likely to put up with last year's overcoat and allow their old washing machine to wohble on for yet

in the economic climate. It was

The appliances industry is peculiarly sensitive to changes

in June last year. Sales started tailing off after about three months, and lay-offs and short-time working started around Christmas.

Furniture and carpet sales were next to be hit. Spring sales failed to materialise when the traditional peak selling season coincided with increases in mortgage repayments and con-firmation that the housing market was in recession. Until recently, most of the ain was felt in markets for

high-priced consumer goods in areas of high home ownership, where rising mortgage repay-ments were most sharply felt. Latest figures, for example, from the electricity boards show last year's turnover and operating profits from appliance sales and service down 3 per cent and 63 per cent respectively in London. In the north-west, meanwhile, sales were up 8.5 per cent and profits 22 per cent higher.

the first to feel the pressure after the first of the current series of interest rate increases annual pre-tax profits at W H Smith, the national retail specialist, show that demand for discs, books and stationer's knick-knacks has heen

However, there are signs now of a more general slow-down. Appliance makers say northern markets are starting to flag and the CBI/FT survey's findings on expectations among retailers for the current month indicate a more cau-

tious view of prospects.

Most booksellers and stationers reported July sales lower than a year earlier, and expected a similar performance in August. Much of the grocery trade has reined in its orders to suppliers. Even chemists which have been selling sun oil and upset stomach cures in record volumes, are possimistic, with only about half expecting a good August, com-pared with the 92 per cent who reported strong volume sales

New car registrations

Source: Department of Trade & Industry; Department of Transpo

Shop rents continue to rise despite uncertainty

THE SQUEEZE may have taken the froth out of the retail property market, but there is no shortage of demand

for shop space.

Landiords' expectations have been reduced, vacant premises are not filled as effortlessly as they might have been two years ago and efforts to cut consumer spending have spread uncertainty in a market which had seen steady growth since 1988.

Browth since 1983.

However, industry indices show rents continuing to rise. Hiller Parker, the chartered surveyor, recorded a 19.6 per cent increase in the year to May, based on evidence from the market place. The Investment Property Datahank recorded a 16.8 per cent recorded a 16.8 per cent increase in the year to last June, based on the perfor-mance of institutional property portfolios. Evidence from the high

street suggests some of the market's recent excesses have marker's recent excesses have faded away. The Rack, for example, reports that it is less common now to pay a premium over the rent to obtain premises. In fashion boulevards such as South Molton vards such as South Molton Street in London's West End, there have been cases of lease-

holders paying new tenants to take the premises.

It was significant that when It was significant that when Whiteleys, arguably the most lavish retailing development in London, had a delayed opening last month, it still had shop units available and the owners had taken the decision to devote part of the building, not to shows but to offices. not to shops, but to offices.

It has become clear that the retailers are less likely to push rents upwards in their chase for space. Rather they appear to be consolidating making

to he consolidating, making some slowdown in the retail property market inevitable.

Total returns to investors in retail property over the last 18 months have been less than for investors in offices or industrial property. The industry believes retail property

returns will remain high.

Present difficulties are seen as blips on a growth chart stimulated by an extensive development programme to upgrade town centres and create out-of-town developments for a car-borne public.

Hoover to shed jobs as shrinking demand hits the high street

HOOVER, one of Britain's icading appliance makers, is expected to announce a round of job losses and restructuring next week as it strives to cope

next week as it strives to cope with shrinking demand. Mr Tony Williamson, its managing director, said: We are feeling the pinch, have reviewed the company structure, and will be taking the appropriate action.

Like most of its UK competitors, the US-owned Hoover had enjoyed three or four good years, when volume sules increased, price increases held because trade was brisk, and capital was poured into new plants. But the tap was turned off late last year. The industry is struggling to persuade retail.

off late last year. The industry is struggling to persuade retailers to stock up and price reductions are common.

One high street chain told Mr Williamson last week that it believed the market would not furn up again at least until the second half of next year. Italy's Merioni group, which rationalised its UK sales operations certier this year by combining the management and marketing resources of its indesit and Ariston brands, is equally gloomy.

equally gloomy.

Mr John Malagoni, managing director of British operations, said the market in the south-east had been very depressed and now the north was turning down. His stocks were at a record low. He was also finding it difficult to per-suade retailers to give the commitments to buy up to three months in advance - the time needed for appliances to be made and shipped out from

Italy.

The only break in the clouds was offered by relatively strong sales and improving market share of his Indesit range, which includes some of the cheapest appliances. Mr Chris Tullett, the market-

ing director of Servis, confirmed that those shoppers actually buying were tending to trade down. However, midrange models were worst

Servia had reduced the prices of a new range of machines, and was gaining market share.
Sales of furniture and carpets slowed down after Easter, when interest rate increases filtered through to mortgage Philip Green: authorised

only essential expenditure

payments. Since retailers keep relatively small stocks, it took little more than a month for the impact to hit manufactur-ers order books.

Mr Martin Jourdan, the chairman of Cornwell Parker, one of the larger furniture

manufacturars, said interest rates were biting harder than companies originally expected. Cornwell Parker, which spe-cialises in the middle-to-upper market, has been less vulnerable to the drop in sales than mass-market manufacturers.

The weakest part of the car-pet industry is the cheap tufted sector, where sales are running at 20 per cent lower than at the same time last year. The most vulnerable furniture companies are those concentrating on cheaper products, with wooden furniture makers suffering more than those making uphol-stared products.

Mr David Freeland, the Brit-ish Furniture Manufacturers' Federation's director, said there had been bouts of short-time working throughout the industry since the spring.

Other companies are prun-

ing investment to control costs. Coloroll, which makes almost every household product from carpets to crockery, has been reducing investment.

Mr Philip Green, Coloroll's chief executive, said it had authorized only essential capital expenditures for the last tal expenditure for the last three months and had post-poned all other projects. New-iy-approved expenditure is running at roughly a third of the £20m that Coloroll spent last

Realistic tone emerges ahead of more profit falls

THE SLOWDOWN in sales, combined with the inexorable rise in costs, is putting a nutcracker-like squeeze on retail-

ers' profit margins.

The trade's characteristic optimism has been dented, and more realistic tone is emerging. The handful of profit falls seen during the spring results season - from the likes of Next, Storehouse and Dixons - is expected to grow in the autumn round.

Those worst affected are stores selling goods related to the housing market. People

By Charles Leadbeater, Labour Editor

UNION LEADERS of Ford's

32,500 manual workers yester-day presented the company with a radical plan to intro-

duce a skill-based wage struc-

ture, which would match

systems in operation at single-

union plants on greenfield

explicit recognition by the

unions that there will be con-

tinuous changes to working

practices and production tech-

It is relatively rare for man-

ual unions to take the initia-

tive in negotiations over pay systems by presenting their own detailed proposals for

The unions want the com-

pany to make a commitment,

during forthcoming wage nego-tiations, to introduce a revised

wage structure within the next

yesterday presented to a work-

ing party set up to overhaul the Ford manual workers' pay

structure, acknowledges that

Government to

spend £210m on

teacher training

Education Correspondent

THE Government yesterday

allocated more than £210m to

train the teaching force to

introduce its educational

reforms next year.

The largest slice of the funds, £51m in total, will be used to prepare teachers for

the new national curriculum.

A further £15m is ear-marked to train teachers for

the introduction of teacher

appraisal, while £8m is to be

spent on improving the management training of heads and

The sums were disclosed in

a circular from the Education

Department to education anthorities giving provisional

funding allocations for teacher

training for 1990-91.
The Government has

approved overall spending of £214.7m on in-service training.

National priority training

areas, which are named by the Government, will receive

£122.8m. Local training priori-

ties, chosen by each education

anthority, will receive £92.4m.

other senior teachers.

By David Thomas,

A paper, which the unions

two years.

The proposals amount to an

tend to buy their new furniture and carpets, televisions and washing machines, wallpaper and paint; when they move house. The hope that people, if they did not move, would beautify their existing home instead has turned out to be a case of

The trading difficulties at MFI Furniture and Lowndes Queensway show how badly things can go wrong. Marks and Spencer admits that its own furniture sales have turned down. Figures from the John Lewis department stores

Ford unions seek shift to

further changes to work organ-

isation are inevitable. Rather than attempt to resist

changes to working practices,

However, in return, many

manual workers would receive substantial pay increases by being regraded. There would also be a much clearer link

between extra flexibility and

higher pay.

The demand for a revised

pay structure has been stimu-lated by the introduction of

wide ranging changes to work-ing practices over the last four

This has created two main

grievances, according to the union paper. Skilled workers who have undertaken signifi-

cant retraining to operate com-puter controlled machinery,

and production line workers

who have become more versa-

tile, have not been adequately

rewarded because the current

five grade pay structure is not

designed to reward flexibility,

By Charles Leadbeater

THERE IS further scope for significant reductions in unem-ployment in the West Mid-

lands, according to a Govern-ment survey published yesterday which found that

there were 19,000 unfilled

vacancies and 129,000 unem-

ployed people claiming social security benefits.

ment said the report confirmed the findings of a similar report on the London labour market

were in areas where many of

the unemployed bad previously

for clerical posts, 15 per cent in retail, catering and personal

services, 22 per cent for skilled

Twenty-two per cent were

The Department of Employ-

W Midlands jobless

work.

total 'could be cut'

the unions' plan sets out a pay structure which would facili-

tate greater flexibility.

skill-based wage system

show that it too is suffering. Do-it-yourself stores are under similar pressure. Flerce competition is breaking out, to the extent that B&Q, the market leader, is placing advertisements listing its own and its rivals' prices on a range of items...naturally B&Q prices are the lowest.

Among electrical goods retailers, sales of white goods are sharply down, and hrown goods are fairing poorly. Only video camcorders are showing strong gains as the new prod-nct begins to fall in price. Pho-

The paper says the best solu-tion would be a simple two-grade structure, similar to the

one in operation at Nissan's single-union plant in Washing-

ton, Tyne and Wear.

However, it says this would be too radical for both the com-

pany and the workforce.

Instead it suggests a three

grade structure for skilled.

medium skilled and production

line workers. There would be two incremental steps within

become more flexible.

tographic husinesses are also doing well.

That may have something to do with the hot weather, which many of the big-ticket item retailers have seen as the last straw. "Who wants to go shopping in a store without air-con-

The summer weather encourages barbecues and picnics and has helped to keep food retailers cheerful. The weather has been a boon as well to those selling T-shirts, Bermuda shorts, and training shoes. Some women's fashion

shops, such as Richards, are having a much better year Menswear and footwear sales

are duller. A man's suit is regarded as a purchase which can be put off for much longer than a woman's dress, and usually costs a great deal more. The retailers most immune are those selling low-price goods such as toiletries and magazines. Even some jewel-lery has become a low-price item, thanks largely to Mr Gerald Ratner, who can still report sales gains.

EMPLOYMENT

Union showdown with the new-look BA

Jimmy Burns examines the background to the dispute that halted short-haul flights

T has not been a good summer for industrial relations in the British transport

After disputes at British Rail and London Underground, it was air commuters who yesterday felt the effects of disruption, with a 24-hour strike by British Airways short-haul cabin staff on domestic and

The strike hy members of the Transport and General Workers Union was called in support of an air stewardess who was dismissed for irregular drink sales. It is alleged that the steward-ess pocketed the proceeds from

European flights.

each pay band to reward people who have trained to selling drinks to economy class passengers which are free in club class. This would require an extensive skills audit of the work-But the strike represents

force to credit workers for skills they have already acquired, as well a clear link between future training and much more than that. It is a clash between the new British Airways corporate culture of human-resource management and customer service, and the The system would extend union influence into negotia-TGWU's traditional culture of tions about training because all disputes about regrading would automatically become

collective solidarity.
The dispute will test the credibility of both the company disputes about the availability and the union.

The company believes that in the last few years it has transformed the role of cabin staff to fit the highly professional for of the highly professional for the highly professional f sional face of the company. It has attempted to incorpo-rate cabin staff into a new corporate image of providing bet-ter customer service. The strike may cast some doubt on how successful it has been.

It is an equally sharp test for the troubled union. Cabin staff are among the most professional, npwardly mobile medicals of a union register medicals. bers of a union mainly made up of semi-skilled workers in traditional manufacturing industries and the public sec-



Queues of passengers at Heathrow yesterday waiting for news of their BA flights

The union'e organisation at BA has been badly damaged by the creation of the breakaway Cabin Crew '89 union, in the wake of criticism of TGWU officials at the company.

On the immediate issue, the company has stood by its deci-sion to dismiss the stewardess after a disciplinary hearing and two appeals, lodged by the union, found in the company's

favour.

The TGWU is pressing for reinstatement. It claims the reinstatement dismissed on stewardess was dismissed on the basis of insufficient evidence, provided by a security manager who was on the

BA's short-haul flights were last grounded by cabin staff in January 1985 when two crews were suspended for refusing to serve hot breakfasts. Although yesterday's strike

was started by a relatively minor incident, its backdrop is the unease felt by some cabin staff with the radical organisational changes which have come in the wake of privatisa-

come in the wake of privatisation of British Airways.

The service that cahin staff
offer to BA customers has been
identified by senior management as a key element in the
commercial corporate image
promoted over the last three
years by Lord King, BA's chairman, and his chief executive,
Sir Colin Marshall.

Cahin staff are the most visi-

Cabin staff are the most visi-hle part of BA. The company has invested a good deal in building a reputation for pro-fessional customer service. New uniforms, a profit-sharing scheme, and extensive customer-service training have boosted morale since the layoffs of the early 1980s and shown customers that the com-

pany was changing direction. The company has an award-winning training programme in its Putting People First cam-

One of the most recent

courses breaks down the skills of customer service into 14 core competences. These range from personal presentation to a module on the economics and politics of the airline industry. British Airways says such initiatives are as much about individual self-development and allowing employees to take charge of their careers, as commercial survival in a highly

competitive industry.
The TGWU is far from convinced. It says that morale is at a low ebb because the new corporate culture puts staff under pressure from line managers anxious to meet tight performance targets, especially on commuter sbuttles.

alty of cabin staff following a strike ballot earlier this month. A majority of those voting supported-action, but that was only a third of the 3,127 staff. For a company which prides itself on having broken deci-sively with the tendency towards industrial unrest of the public sector, any indus-trial disruption will be unwel-

Although the company ran about half its European flights as normal, all UK shuttle ser-

vices were cancelled. The union will see the support for the strike as evidence of the strength of collective

organisation.
Although TGWU officials
will meet cabin staff this weekend to discuss possible further
action, it will not want to push industrial action too far, for Cabin Crew '89 is waiting in the wings to pick up members disaffected by unsuccessful

militancy. BA strongly refintes allega-tions made by union officials that it using the incident to provoke a confrontation as part of a strategy simed at de-recognising the TGWU in favour of Cahin Crew '89, which has modelled itself as a union designed for the more professional cabin crew of the

Cabin Crew '89 kept out of yesterday's strike. Although it has some members on short-haul flights, most of its membership is concentrated on the company's long-haul routes. BA has always insisted that

there is room within the company for both unions. But the latest strike may have severely strained such an even-handed approach.

Travellers' Fare offers £60 bounties to attract recruits

By John Gapper, Labour Correspondent

retraining.
One of the most important last summer, which said many vacancies could be filled by the barriers was a tradition of long-term unemployed.
The West Midlands survey, short journeys to work, within tightly defined local labour which covered Birmingham, Coventry, Dudley and Snadmarkets within the West Midlands conurbation as a whole. Less than half the unemployed well and Wolverhampton, found about 10,000 of the said they would be willing to vacancies were for professional travel more than 30 minutes to and managerial posts. Many

manual work and 18 per cent

for manual work. The survey

found that 76 per cent of the

longer-term unemployed had either been in skilled, semi-

skilled or unskilled manual

The report says the unem-ployed faced a series of barri-

ers preventing them from returning to work, including

negative attitudes among

employers and the need for

Most unemployed people had realistic expectations of what wage level they would be prepared to accept, although ahout 12 per cent, had not looked for work during the pre-

TRAVELLERS' FARE, the railway station catering company, is offering bounties of 260 to workers who attract new recruits as part of an attempt to combat increasingly severs problems in recruiting and keeping staff.
Travellers' Fare, which was sold by British Rail to its man-

agement in December 1988, is now suffering labour turnover of 139 per cent. In some areas of the country, it has risen to between 300 and 400 per cent. The company, which increased pay rates for manual

staff between 5 and 25 per cent in April, is finding it difficult to attract enough candidates hy traditional recruitment means and has revised its recruitment strategy.
It has also started giving unit managers at its 150 ontlets

"turnover targets" to ensure they put a high priority on reducing loss of workers.

Managers of the company's five brands will have discretion

to link these targets to pay. Tightening of the labour market means the company now expects to get only five

replies to a local newspaper advertisement for staff. In 1987, it expected an average of 150 applications from candidates whom it inter-

viewed in groups.

Before emharking on its recrnitment campaign, reported by the employment research group Industrial Rela-tious Services, the company calculated that its recruitment costs were running at £2m a year - or £500 per recruit. A series of reports on areas of recruitment difficulty have

been prepared by a newly-ap-

pointed national recruitment manager. They include one on Bath which found that only three of nine full-time vacan-

A big obstacle faced by the company to recruiting new workers is the loss of cheap travel on the British Rail network - worth between \$2,000 and £3,000 a year - which was available to all workers before

the management buyout.

The loss of this perk has particularly affected the number of people willing to travel into London from the Home CounThe company considered bearing the cost of the travel subsidies but concluded it was

too expensive to continue. The bounties to workers who persuade friends and acquaint-ances to join Travellers' Fare was introduced two months ago, and is payable in two instalments after the recruit has been there three and six

IRS Employment Trends 446: Industrial Relations Services, 18-20 Highbury Place, London NS 1QP; 28.50.



The First Global Gas Company

Extracts from an address by Robert Evans, CBE, Chairman and Chief Executive of British Gas plc, to the 1989 Annual General Meeting.

t is fashionable at some annual general meetings for the Chairman to make the point that the company belongs to its shareholders by describing it as *your* company. I shall not be doing that. I shall instead be saying *our* company. After all the Directors are shareholders too and so are almost all the employees of British Gas. Many of us have spent our entire working lives in the business.

I see it as very much a company that belongs to all of us. Certainly the Board do not see their job as just a professional one – merely as stewards of the owners' business. We all have a fierce and very personal loyalty to it.

In your study of the annual report, and perhaps from the newspapers and our advertising, most of you will be aware that a number of themes about our company are beginning to emerge.

i: \

The themes cover our commitments as a company – to our customers; to the community as a whole; to engineering excellence; to the environment; and of course to our own successful long-term future. But first I want to comment on the results of last year.

Last year set a test, which British Gas passed with flying colours. The experts at the Met. Office tell us that it was the warmest winter for well over hundred years. Under the circumstances, you might have expected a bigger fall in gas sales than was experienced. In fact, the underlying trend was for continuing growth.

We added an extra 350,000 customers during the year – which shows that gas's popularity, as Britain's favourite fuel, continues undiminished. More and more people are choosing gas for central heating. Another 600,000 gas central heating systems were installed.

Last year, we had to contend with volatility in the price of oil, our major competitor in business markets. But there were encouraging signs of underlying growth.

The gas business is still expanding, and we are still managing to improve efficiency and increase productivity. With more customers, we are giving high standards of service, with fewer employees. We are making the most of new technology to reduce those costs which we directly control, and we are achieving real reductions, from which customers benefit. Over our first two years as a privatized company, gas tariffs actually went down by 9 per cent in real terms.

Shareholders are benefiting too. Last year the current cost profit attributable to shareholders went up by 9 per cent to £620 million. The Board is recommending a total dividend of 9p per share — an increase of 12½ per cent on the previous year. I hope you will agree with me that this is a very satisfactory result.

Banishing Gripes

Turning now to the future brings me to the first of the themes I spoke about at the beginning of this speech – our commitment to our customers. We shall not maintain our existing business, let alone achieve the expansion we are aiming for, unless we satisfy our customers. We operate in highly competitive markets with constantly rising expectations from customers. So we cannot stand still

Gas is a first-class product and it is highly competitive in price. Add to that a back-up service of proven high quality and you have an unbeatable combination. I am determined, as are all the other members of the Board, to go on improving the service we provide until it becomes a by-word for quality

A continuing and widely perceived improvement in our service to customers is one of our prime goals.

Boosting Growth

That will help greatly in taking advantage of the opportunities for growth to be found in our traditional markets. There are still more customers to add — over 2 million homes within the gas supply area are not gas customers, and 4½ million homes are without central heating.

In the contract market, other gas suppliers may emerge. We are not afraid of competition—we have always had to compete with electricity, oil and coal. Gas competition is likely to be limited until the early 1990s. Much of it may take place in gasfired power generation, stimulated by the privatization of electricity. We intend to gain a significant proportion of this new market, and even where we do not supply the gas, we will still gain by carrying other suppliers' gas through our pipelines.

So there are good reasons for seeing a bright outlook for the gas supply business. However, it cannot grow indefinitely. In each of the markets in which we operate, we already have the largest market share. So we will need to expand away from this business if we are to maintain earnings growth in the longer term.

We are looking for opportunities to widen the base of our business away from just selling one product in one country. We want to develop

additional businesses, which could grow to become as important as our current core business of gas supply.

Burning Greener

The current concern throughout the world for the environment gives us a considerable opportunity. Gas is among the greenest of fuels. In this country, natural gas has played a major role in ridding the air of the sulphurous fogs which were so much part of the foreigner's image of our country. Hardly anyone burns coal any more — most people have a gas fire or gas central heating, perhaps both. The result is cleaner, purer air for everyone.

With the growing availability of natural gas, many more countries can benefit in the way we have. What some of them lack is the know-how to develop their own gas industries or to establish one for the first time. As the largest fully integrated gas business in the western world and with our leadership in many aspects of gas technology, British Gas is well-placed to develop as the world's first global gas business.

That means building on the many years of hard work of our International Consultancy Service to create and operate gas transmission and distribution businesses ourselves. This is a long term prospect—if you like, my personal vision of where I believe we shall go—and I believe British Gas could do this better than any other company.

I should not like you to think that our interest in the environment is purely because of the business opportunity it represents for us. That is very far from the case. We take our responsibilities, as a good citizen should, very seriously.

Our operational sites for the national transmission system, for example, are sited and designed with great sensitivity and after much consultation locally and with concerned environmentalists. The result has been that we can all take pride in British Gas being not just winners of awards — as we are regularly — but in being good neighbours.

Behaving Generously

The resources of investment and of people that the company needs to run its affairs are of course drawn from the community. What we put back is primarily a valuable gas service. But increasingly society expects more than that from our business. We are happy to play our part – on behalf of our shareholders and employees – and we have now built a programme of involvement in

communities throughout the country,

We are involved in youth programmes, education, inner city work and a great deal more.

From personal experience I can tell you how much this work is appreciated by the people directly affected and by those who are concerned with the well-being of the many and varied communities which make up our nation. British Gas is earning immense good-will which is of course very good for business.

Backing Gumption

A large part of our community programme concerns education – at all levels from primary schools to university.

We can help education because we are knowledgeable about the application of science to industry, and that is why much of our effort has gone into providing materials for teaching science and technology. Our business is primarily an engineering one and of course science and technology are the foundation for engineering. Unless a sufficient number of properly qualified scientists and engineers are produced by our education system then British Gas will be in difficulty in the future. We shall also be in difficulty more fundamentally because without sufficient engineers, scientists and technologists, our nation will lose its way in the industrial world. Apart from any other consideration British Gas relies on a healthy economy for its own prosperity and that of its customers.

I believe passionately that we as a nation must acknowledge the importance of science and engineering, of manufacturing and of industry to our future prosperity—and act accordingly.

Support for engineering, customer care, community involvement and the environment, as well as being connected with each other, are intimately linked with the future of our business. If we are to grow in our existing markets and continue to expand and develop, we must meet objectives in all these areas.

In conclusion, let me return to my vision of British Gas as a global gas business. The world has very large reserves of natural gas, and new discoveries are still being made. Over the last 20 years, although world gas consumption has doubled, proven reserves have trebled.

I have every confidence that our company has the vision, the resources, the structure, the talents and the dedication to play a leading part in the development of the gas industry world-wide.

Thank you for your attention.

British Gas

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Saturday August 19 1989

The green revolution

logged and the revenues invested in a cement factory, national income would show a rise both because of the investment in the cement factory and because of the logging activi-ties. Such accounting rules are perverse. What is really happening is that one productive asset, a forest, is being destroyed in order to create another, the cement factory. Income, defined to include usage of natural assets, would rise only if the cement factory's value exceeded that of the lost forest.

The example is taken from an official report on "sustain-able development" commissioned from Professor David Pearce, an environmental economist at London University. The Pearce report was enthusiastically received this week hy Mr Chris Patten, the new UK Environment Secretary, who said it was "very close to his own thinking". Mr Patten's interest in green issue decades of neglect hy both political parties - is most wel-come. But the sea-change in attitudes necessary if green economics are to be taken seriously may not be appreciated.

Pollution target

Parts of the Pearce analysis certainly correspond neatly with the present thrust of pol-icy. One example is the use of market mechanisms to help achieve regulatory goals. Thus instead of stipulating that all companies meet a given pollution target, a certain number of marketable "pollution per-mits" could be issued. Companies which could only reduce their pollution at great expense would tend to huy permits from companies which could adjust more cheaply. The fixed number of permits would ensure that the overall level of pollution was unchanged; the difference (in theory) is that trading of permits would ensure the target was achieved at a lower cost.

But willingness to use the price mechanism as a tool for achieving certain social goals should not be allowed to obscure the philosophical gulf separating green economists from conventional advocates of the market system. The essence of the free market approach is that social welfare will be maximised if the fewest possible constraints are placed on individuals' ability to pur-

Green economics directly challenges the legitimacy of this philosophy. The market system, to work efficiently, requires everything to have both an owner and a price. By and large, this is possible within the sphere of man-made assets. But it is not feasible for

IF AN ENTIRE forest were a large class of "natural" assets. Nobody owns the atmo-sphere or the world's climate; at a more parochial level, while individuals can own certain buildings in London, only society as a whole can be said to own London's skyline.

Value to society

During the past two centuries, the pursuit of self-interest within a broadly unfettered market system has led to phenomanal growth of the man-made economy. But this has been at a cost the indisnas been at a cost the inins-criminate exploitation of natu-ral assets, which have heen treated as "free goods" and therefore over-utilised. Thus while the costing of a factory will take account of the price of inputs such as labour and capital, it will tend not to reflect the full value to society of the landscape destroyed during construction. Further, pric-ing decisions rarely recognise that economic processes, while transforming matter, do not create or destroy it. Thus the full social cost of waste prod-ucts is not factored into corporate decision-making, nor, dur-ing the productive stage, is

account taken of the eventual costs of disposing of products once they become obsolescent.

If the green agenda were to be taken seriously, the present system of national accounts would have to be substantially amended. Gross domestic prod uct measures the growth of man-made goods and services, but it does not record as a negative item the costs of anti-pollution measures nor the long-term depreciation of the natural environment caused by production. Such adjustments would not be trivial. One estimate for Japan suggests thet conventional measures, by failing to take account of environmental effects, overstate "growth" in recent decades by some 40 per cent. Environmentalists such as

Professor Pearce propose a radical reorientation of society's economic goals. Instead of promoting GDP growth, we should seek "sustainable development." This, he stresses, is a value-laden concept which has to take into account a vision of to take into account a vision of "the good society." It involves a substantially increased emphasis on natural and cultural environments, and greater concern about the impact of policles on future generations. Such ideals may nation" Toryism, but they are hard to square with the individualism at the heart of the Thatcher revolution. The problem is that while the pricing of man-made assets can be left to the market only society as a whole can decide what value to place on the environment.

Lech Walesa



last year's overheating is at last starting to show itself. However, despite the unexpected dip in the

growth rate of average earnings to 9 per cent in June and the slowing in retail price inflation to an annual 8.2 per cent last month, it is too early to conclude that underlying inflationary

Perhaps more worrying for the Chancellor, as he holidays at his offi-

cial country residence at Dorneywood, Bnckinghamshire, before handing it over to Sir Geoffrey Howe, are signs that the easy part of the slowdown is

The policies are in place. The sav-

age tightening of monetary policy that lifted bank base rates to 14 per cent from 7.5 per cent in the 12 months to the end of May has curbed consumer demand and is beginning to

His problem now is that his choices are narrow just as the pain begins to spread. High wage settlements, a con-

crimp output.

The Chancellor's

problem now is that his

choices are narrow just as

the pain begins to spread

tinuing high current account balance of payments deficit and fragile inter-national confidence in sterling mean

that he may not be in a position to

lower interest rates should a hard landing appear likely. With a general election perhaps only two years away, the time in which the Government can safely risk a recession is shorten-

And the spectre of recession is

beginning to appear. It is, admittedly, still a minority concern and, if any-

where on the horizon, still some way

The majority of Clty economists believe that interest rates will have to

stay at present levels until hext

spring while some zealots would like

to see further tightening.
But gloomy surveys of husiness

opinion; the need to refinance furni-ture retailers MFI and Lowndes Queensway; the failure of Kentish

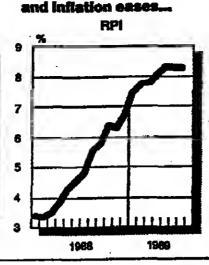
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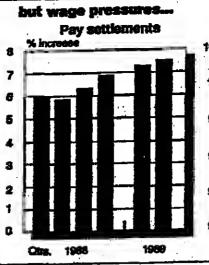
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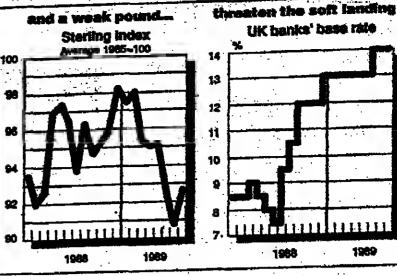
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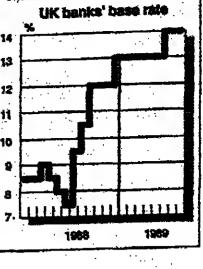
UK manufacturing

Rebased









Between inflation "I have never, contrary to what some people have said, made any promises of soft landings, or semi soft landings or the rest of it. I am concerned to arrest this rising inflation which has been occurring world wide but is occur-ring rather more in this country in the and recession past 12 months, and to get it slowing ew things stand still in life. But Mr Nigel Lawson's description of his policy priorities is as true today as it was when ha testified to the House of Commons Treasury and Civil Service Committee four months ago. Official statistics over the past week clearly suggest that the hopedfor slowdown in the economy from last year's overheating is at last

Peter Norman examines the state of the British economy as signs emerge of an economic slowdown

Property Group, the London Dock-lands housing developer; even the news that 15 executives will lose their johs at Harrods, the Knightsbridge store – all these have taken some of the sparkle away from reports that demand for champagne in Britain is running at record levels.

Among fund managers and in the clearing banks, there are some who think that recent falls in demand and business optimism could be the pre-lude to sharp cutbacks in capital spending unless interest rates are eased this antumn. Even the Bank of England, which believes that contin-ued inflationary pressures are the major threat to hopes of a gradual cooling of the economy, has warned of the danger of a collapse in confidence hitting output and employment.

hitting output and employment.
Such conflicting signals are typical
of an economy in a state of change.
And judging the present state of
Britain is not made any easier
because of the lags and unreliability
of official statistics and the lofty
growth levels of 1988 which preceded

the slowdown.

In its latest quarterly bulletin, the Bank of England admits that, with hindsight, it should probably have tightened monetary policy more stringently last summer because the economy was growing faster and with greater inflationary pressures than it thought. The economy grew at an average rate of more than 4 per cent for 2% years — an unusually long period — to the end of 1988.

In 1988 itself, domestic demand

grew at almost 2 per cent a quarter, ushing the current account of the balance of payments deeply into the red. It also brought tighter labour markets and production bottlenecks that added to the inherent inflation-

mining wages.

Against this background, Mr Lawson is probably well pleased with this week's economic data. July's 0.6 drop in retail sales, June's 0.7 per cent decline in manufacturing output and last month's 21,300 fall in the season-ally adjusted level of unemployment all told of a more pronounced slow-

down than anticipated in the consensus forecasts of the City. Underlying inflation indicators – the prices paid last month by industry for raw materials and fuel, the factory gate prices charged by manufacturers and June's average increase in earnings – were iso all a fraction lower than expec-

The problem is that what may s The problem is that what may seem a desirable economic trend to the Treasury may alarm an entrepreneur into cutting investment and production. A rash of survey evidence in recent weeks suggests that the slow-down, having laid low the housing market and curbed the enthusiasm of consumers, is taking its toll of the retail trade and beginning to limit outputsure in industry. optimism in industry.

Retailers are glummer about their sales than at any time in the six year history of the monthly retail trends survey produced by the Confederation of British Industry and the Financial Times. An earlier CBI survey found that confidence among manufacturers

was at its lowest level for seven years.
This week, a poll of nearly 3,300 firms in the manufacturing and service sectors by the Association of British Chambers of Commerce con-cluded that there was now "no question" that "businesses are preparing for a harder landing than had previ-ously been anticipated." According to the Bank of England, some small companies may already be experiencing liquidity problems because of increased borrowing costs.
It is in this uncertain climate that

the economy is especially prone to vagaries in the stockbuilding cycle. Stocks already rose by a record £1.5bn in the final quarter of last year while the latest CBI surveys suggest that manufacturers and retailers have a further stocks build up in recent months. Rising inventories of unsold goods could prompt cuts in output and investment.

However, nobody is expecting a repeat of 1980, when a heavy run down of stocks helped trigger Britain's deepest post war recession. Improved industrial relations and

computer control techniques mean that industry need carry far fewer stocks than previously, reducing the volatility of this component of gross domestic product.

In addition, industry should be in a far better position to weather an economic downturn than before despite problems in individual sectors such as textiles and the East Midlands shoe industry. Gross trading profits among industrial and commercial companies increased by just under a fifth last year. The real rate of return on capital employed stood at 11 per cent, its highest level for more than 20 years. The share of company profits in total GDP has increased by 8.5 percentage points since 1981.

Productivity in Industry has also grown strongly. In manufacturing, output per man has increased at an annual rate of about 4.25 per cent

The Bank of England is worried about soaring unit labour costs in the private services sector

since 1980 compared with 1 per cent a year in the middle and late 1970s. However, productivity is valuerable to slower demand. With the corporate sector a net borrower for the second year running this year, higher inter-est rates will also mean tighter mar-gins for many companies. The latest Chamber of Commerce report showed lower interest rates were the main wish of manufacturing and service

In one respect, a margin squeeze is just what Mr Lawson has been looking for. It would make businesses more eager to resist inflationary pay settlements. Arguably, pay pressures in Britain remain the most important threat to the Chancellor's policy.

This summer's 8.8 per cent public sector wage increases have left Gov-ernment ministers furious and warnAlthough the public sector pay deals can be defended as representing catch-up payments for groups which feil behind the general level of wage increases, they contain the risk of triggering inflationary demands in of triggering inflationary demands in the private sector pay round which gathers pace from next month. Whereas the Bank of England believes that manufacturing can cope with wage increases of up to 7 per cent through increased productivity, it is extremely werried about soaring unit labour costs in the private services sector.

vices sector.

The inflationary climate makes it all the more important for the Government to maintain a strong pound so that the currency acts as a basing against imported price rises and deters companies from risking their international competitive edge through inflationary wage settla-

But again Mr Lawson is not his own master. Although the Chancellor likes to say that Britain's £19bn annualised current account balance of payments deficit is a private sector problem, it poses a threat to sterling that contributes to his difficulties in maintaining a credible counter infla-

tionary policy.

Bank of England Intervention to eupport sterling this week was a reminder that the pound is vulnerable to speculative pressure. The main rea-son why the Bank of England and Treasury lifted bank hase rates to 14 per cent in May was to bolster the

pound.

Matters would be easier for Mr
Lawson if the markets fully trusted
him. But his failure to act awiftly
against overheating last year means
that he is ill placed to emulate Mr
Alan Greenspan, the US Federal
Reserve Board Chairman, Mr Greenspen successfully tightened US mone-tary policy last year in anticipation of ricing inflationary pressures and as a reward has been able to begin easing the monetary mins on early signs of a slowdown. For the moment Mr Lawson is prob-

ship lest advised to sit tight. But he could be enturing the most difficult period of his long Chancellorship. The sunual increase in retail price inflation should fall slowly as last year's large mortgage rate increases drop out of the index. But a sterling crisis or higher wage pressures (or both) could force another base rate rise. That would inevitably push up mortgage rates, further crippling demand and fueling pressure for still higher wages. A mortgage rate rise is also wages. A mortgage rate rise is also possible without a base rate rise, should interest rates stay at present levels for a long time.

in happier days before the economy turned sour, the Chancellor used to be known as "Lucky Lawson." Despite his professed lack of interest in ensuring a "soft landing" for the economy, he must be hoping that some of that luck remains. If it doesn't, he will lose ing of a renewed wage price spiral. More than the use of Dorneywood.

"WHAT HAS seemed for many days to have been an

plan a two-week run for power, crowned yesterday by the selection of a Solidarity Prime Minister? Or was it more of a series of improvisations, the acts of an intuitive politician feeling his way along the paths and tracks of a political land-scape crumbling about him?

Because so many men who now bestride the Polish political stage first made their names as his advisers, and because of his own self-deprecating manner (which is not to say he's modest: he is not), there has existed a belief that he could be something of a tool in the hands of others. These might be either the Catholic intellectuals, such as Tadeusz Mazowiecki (yesterday chosen as the first Solidarity Prime Minister); or the formerly Marxist radicals Jacek Kuron

and Adam Michnik.

That has probably never heen true; he has remained, and has displayed himself this

week as, his own man. Stefan Bratkowski, the Solidarity columnist, tells a story of Walesa surrounded hy his Catholic advisers soon after the kidnapping in October 1984 of Father Jerzy Popieluszko, all of them advising him to urge the Church to take a certain course of action. After some time listening to this, Walesa said: the Church will do nothing, there is no point in asking it, let us get on with it ourselves. The point, says Brat-kowski, is not that he does not listen - he does, hut he makes up his own mind and works according to his own instincts. Thus Walesa's initial determination to avoid his movement taking responsibility for

the mess the Communists had

made of the economy and society gave way, after the respon-

sibilities of Solidarity's huge

victory in June were horne

mupon him, to a sudden offer

impossible political fantasy of Walesa's turned out to be a perfectly conducted political manoeuvre," ran yesterday's editorial in Gazeta Wyborcza, the Solidarity daily paper. Was it? Did Lech Walesa

A shrewd grasp for the substance of power

By John Lloyd



to take government wholly upon Solidarity's shoulders. In the past two weeks, this version in its turn changed to a coalition government with the Peasants and Democratic parties: then to a government which would include reformist-minded Communists. This finally sharpened itself to one which had Communist ministers in charge of at least the defence and interior portfolios (what secrets are nestling in these files, to delight or horrify a Solidarity minister who opened them of a sultry Warsaw evening?)

As one conception succeeded another, in at least one case taking his own deputies by surprise, it did indeed seem that Walesa had introduced an air of fantasy into the atmosphere. After all, was not General Czeslaw Kiszczak the duly con-

stituted Prime Minister, endorsed by the Sejm (albeit narrowly, with plenty of arm-twisting)? Did not the Round Table accords specify that Soli-darity would remain an opposition for four years?

For many people here, and not just Communists and their supporters, the notion of a Solidarity government is either absurd or fearful, Walesa, say the more delicate, cannot even spell. The Solidarity radicals, justification for martial law).

But the substance of power was melting into thin air, and Walesa seemed to be the most attuned to that fact. He is awkward, impulsive and contradic-

tory: now devout, now vain, now mawkish, now apparently over-respectful of anthority. Throughout all of these easily caricatured failings, he has retained, it seems, an intellec-tual edge which academic minds have lacked. The unemployed young electrician who climbed over the wall of the Lenin shipyard in Gdansk in 1980 is now, at 46, thicker in his frame. But he is as able to sense an opportunity as ever

what will he do once his long-time adviser Tadeusz Mazowiecki hecomes Prime Ministar? Denying, for the thousandth time on Thursday, any intention of taking either the presidency or the premier-ship, he said: "I will stay with the masses." At any time hefore this year that would have meant something fairly

precise: it would have meant staying true to the ideals and practice of the Solidarity oppo-sition. Now, it is impossible to know what it foreshadows.

Does it mean, as he has also suggested, that he wishes to concentrate on the trade union side of Solidarity — which many, including himself, fear will be submerged in all of this politicking? Does it mean he will hold himself in reserve to be president of Poland when the last Community figles? the last Communist figleaf finally drops? Does it mean he will play a Gandhi or Kho-meini-like role to the revolution for which he, more than any other, is responsible? His reply had the great merit of vagueness; of holding open his He has no illusions whatever

about the task his government will face. Time and again, before as well as after the election, he has warned his fellow citizens that there are no political nostrums for the intracta-bility of the Polish economic crisis. He knows the paucity of the human and material resources at the disposal of a Solidarity government. His religious devotion can border on the mystic; but his political sense has the harsh realism of a poor peasant's son who brought up his own large famlly in a tough shipbuilding town. He describes those conditions well in his autobiography; sales of the book enabled him to huild a villa with many rooms, enough to receive a US president in last month.

Whatever else he does, Walesa will remain the holder of the Polish political ring for the foreseeable future. He has proved himself able to bear the pressures of being a world fig-ure while remaining the peo-pla's Lech. Nothing better illustrates the geopolitical centrality of Poland than the fact that he should be consuited and wooed by Presidents Bush and Mitterrand, Prime Minister Thatcher, the Pope and soon, no doubt, President Gorbachev. If Poland is the heart of Europe, Walesa is the heart of Poland. A heart with a mind of its own.

IMPORTANT NOTICE TO SHAREHOLDERS

Philip Birch, the Chairman of Ward White, yesterday wrote to shareholders

- To confirming the Board's advice to shareholders
- sending them forms of withdrawal

To withdraw any acceptance of Boots' offer, shareholders should complete the relevant form of withdrawal immediately and return it to National Westminster Bank PLC, New Issues Department, P.O. Box 33, 153-157 Commercial Road, London E1 2DB.

If you are in any doubt as to how to complete the forms of withdrawal, please telephone Ward White on:

0933 624151

Copies of the letter from Philip Birch and of the forms of withdrawal can be obtained from S.G. Warburg & Co. Ltd., 2 Finsbury Avenue, London EC2M 2PA, or by telephoning the above number.

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The Directors of Ward White accept responsibility for the information contained in this advertisement and, to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this advertisement is in accordance with the facts and does not omit anything likely to affect the import of such information.



month from the two large-scale US trials of Wellcome's AIDS drug, AZT, give real hope that people who are infected with the virus but not yet suffering from the disease may be kept healthy for many years — possibly until medical researchers have developed a true cure for AIDS.

developed a true cure for AIDS. The first study, reported by the National Institutes of Health two weeks ago, proved for the first time that AZT delayed the onset of full-scale AIDS in patients who had only minor symptoms of injection with HIV, the virus that causes the disease. And the second study, released on Thursday, showed that AZT had an even more beneficial effect on healthy HIV carriers who had no symptoms apart from a moderate reduction in the number of immune cells in

What makes the results so encouraging is that AZT not only delays the development of symptoms but has few side effects in people in the early stages of the disease. The trouble with using the days in ble with using the drug in patients with advanced AIDS is that it damages their bone marrow so severely that many of them have to be taken off AZT. In contrast, the latest NIH study showed minimal side effects in healthy HIV carriers - the most serious was a

British & William William Berline

Clive Cookson on latest developments in the fight against AIDS

Hope for a breathing space

feeling of nausea in 3 per cent of those taking part. ‡ The dramatic reduction in side effects is partly the result of giving them lower doses of AZT but mainly because healthy carriers are unexpectedly resistant to the drug's toxic effacts. Although the long term side effects are not yet known, it now seems likely that patients could survive for many years on a low "mainte-nance" dose of AZT. In practice, HIV carriers will

probably not be given AZT alone but a "cocktail" contain-Healthy carriers are unexpectedly

resistant to the

drug's toxic effects ing AZT and other antiviral drugs still under development, blended with medicines to stimulate the immune system and to fight the secondary infections such as pneumonia which afflict AIDS patients. One reason for mixing drugs

in this way is that they have a "synergistic" effect and help each other work in much lower doses than would be possible doses than would be possible for any one medicine on lts own. But there is a more compelling reason not to rely on AZT alone, says Dr Richard Tedder, a virologist at the Middlesex Hospital in London: the emergence of AZT-resistant strains of HIV. Three separate laboratory studies have shown the presence of such strains in notients who have hear taking patients who have been taking the drug for more than six months, though there is not yet any clinical evidence that their health is suffering as a

This month's good news about AZT coincides with an explosion of research on other drugs in pharmaceutical comlaboratories throughout the world. According to the Pharmacentical Manufacturers Association of the US, more than 50 ADS medicines are now going through the various stages of the Food and Drug Administration's approvals process. Many hundreds more

cocktail are Hoffmann-La Roche's DDC and Bristol-Myers's DDI — both in the early stages of clinical trials. They come into the same category of drug as AZT, known as

nucleoside analogues, and they work hy mimicking the chemi-cal building blocks of the genetic material DNA. The virus inserts a false hullding block into the growing DNA chain and this jams the mechanism by which it replicates. Even a perfect cocktail of nucleotide analogues could do no more than prevent AIDS symptoms emerging HIV carriers would have to take the drugs indefinitely, like diabetics committed to insulin.

material of their cells, ready to burst into lethal action if the treatment stopped. But at least it seems as if AZT and its sister antiviral drugs are capable of buying a

long breathing space for 1.5m

hecause the virus would remain hidden in the genetic

are still at earlier stages of people in the US and 5m-10m research.

Two of the most promising ingredients for an anti-AIDS estimates by the Centres for Disease Control and the World Health Organisation.

In the long term, the hopes for a true "cure" for AIDS rest on research — still in its very early stages — which could lead to a method for eradicating all HIV-infected cells from the holy rether as doctors. the body, rather as doctors have devised a drug cocktall to cure some forms of leukaemia by killing all the cancerous blood cells.

Carriers would have to take the drugs indefinitely, like diabetics with insulin

Many laboratories are concentrating on a molecule called CD4, which appears on the surface of almost all cells infected hy HIV. It may be possible to tag infected cells with a molec-ular marker that sticks to C4, and then direct a chemical bullet at this marker to destroy the cells. There is some tantal-ising evidence that a very few patients - perhaps one in a thousand - cure their AIDS naturally by doing something like this with their own immune systems. Medical researchers are investigating these rare, apparently natural cases of AIDS cures for leads to

mew drugs.

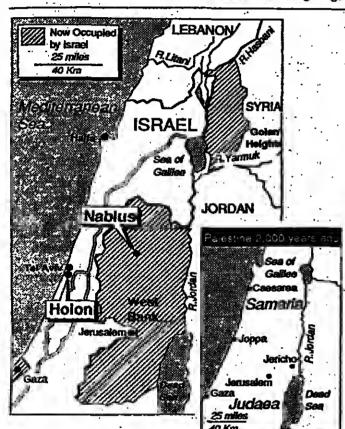
Many scientists believe that these drug-based approaches offer moch more promise for curing injected patients than the alternative approach: developing a vaccine which could prompt the body to get rid of the virus. Indeed a substantial body of medical opin-ion bolds that the nature of HIV makes the search for a vaccine almost hopeless. One of the main problems is HIV's extreme variability changes its coat even faster than the notoriously variable

influenza virus. Even so, some research groups have had limited suc-cess with potential HIV vaccines, including the production of an immune response in



human volunteers and some evidence that monkeys have been protected against infec-tion by an AIDS-like virus. Jonas Falk, the 1950s polio virus pioneer, believes that he can repeat the performance with the AIDS virus. But, even if safe vaccines

can be developed, they ere more likely to be useful for preventing infectioo in people at risk from AIDS than curing tbose who already bave the disease. It is this latter group the successful trials reported



Hugh Carnegy reports on an ancient tribe caught in the swirl of the Palestinian uprising

Samaritans steer clear of intifada

hortly after 6am, when a cool mist still shrouds the hilitop village just outside the West Bank town of Nahlus, a group of some 70 men and boys gather in a dusty space between houses

for a circumcision ceremony.

The chatter, as chocolate bars and soft drinks are disnsed, is in Arabic. Several of the men wear Arab head dress. Others wear the fez. But when the prayers begin, rising in loud, rhythmic unison to the moment of circumcision, the ianguage is an obscure mix-ture of Hebrew and Aramate. These people are not Jews, not Moslems, nor Christians,

bnt Samaritans, a tiny remnant of an ancient schism within the tribes of Israel which survives as one of the milest and most remarkable of minority groups in the Mid-dle East. Their history has m marked for many centuries by persecution, and even the threat of extinction. Today they occupy an uncomfortable position: between Israel and the Palestinian uprising swiri-

"We were a nation," says El Azar, one of the ageing priests who claims descent from Aaron, brother of Moses, "We are still living our lives according to the nation. We have our literature and our prayer hooks. We have our ways of life inside and outside our homes. Our name Samaritan means the preservers of the law. Our numbers nowsdays are no more than 560 souls all over the world."

To Christians, the name Samaritan immediately conjures up the parable of the Good Samaritan in the New Testament. But to today's Samaritans this is annoyingly misleading. For the Samaritan religion is based on the Old Testament and is closely related to Juda'sm, with certain key doctrinal differences. The provenance, history and beliefs of the Samaritans

occupy 15 pages in the Ency-

clopedia Judaica. Essentially they claim to belong to the tribes of Levi, the son of Jacob, and of Ephraim and Manasseh, sons of Joseph. They believe that when the Israelites returned from exile in Egypt, the Temple was established on Mount Geruzim (Mount of the Blessed), just

ontside Nabius.

The schism with main-stream Judalsm derives from the Samaritan belief that Mount Geruzim remains the site of the true Temple - not Jerusalem. Though sharing most Biblical doctrines with the Jews, there are other differences. Samaritan kosher rules are stricter; on Passover the Samaritans sacrifice lambs on Mount Gernzim; Samari-tens take their heredity from their fathers, not from their mothers as Jews do. Once a power in the land

tha Samaritans suffered hnt survived down the centuries under rule by - to name a few the Greeks, the Romans,

later the Crusaders, the Mamelukes and finally the Turks under the Ottoman Empire. By the time Britain's General Allenby pushed the Ottoman forces out of Palestine at the end of World War One, the Samaritans say there were less than 200 of them left.

Their numbers have grown again, however, under the patronage of Israel, especially since Nablus and Mount Geru-zim came under Israeli rule after the 1967 Six Day War. Now they are split between a community in the Israeli town of Holon and Nablus. Most have jobs in the Israeli bureaucracy or as teachers.

The advent of the uprising, or intifada, in the occupied territories in December 1987 interrupted this peaceful prog-ress. The Samaritans mainly speak Arable as their day-to-day language. Their children in Nablus go to Arab schools. But they are clearly more Jewish than Moslem. And their men have to serve in

tans are acutely conscious of the delicate position they occupy. They requested that their soldiers should not have to serve in the Nablus area and they have been at pains to preserve good relations with their Palestinian neighbours. "We don't enter into politics," says Israel Tzedaka, a genial informal spokesman for the Samaritans. "We are friends to the Arabs. We invite them to

our marriages and so on." The motive is not far from the surface. You don't know what may happen in the future," says Mr Tzedaka. "It would be no problem for the Arabs in Nablus to kill all the Samaritans in one hour." He says the local Palestinian nprising leadership bas ordered the Samaritans to be left alone. But the Samaritans have moved from Nablus to their Mount Geruzim settlement, normally occupied only

in summer, just in case. Meanwhile the survival

issne which most preoccupies the Sameritans is a distressing imbalance in their numbers between boys and girls. The latter are scarce, leading to difficulties finding wives for the men. They are allowed hy their religion to marry Jews, but finding Israeli girls pre-pared to take on the Samaritan lifestyle is hard.

Farouk Altif has been trying to help his 36-year old brother Sami find a wife for years. "Ten years ago he was in love with a girl, but her family did not accept him," Farouk said. He thinks they may now have found a partner, but fathers who possess the asset of a daughter tend to drive a hard bargain. "I courted my wife for six years," said Farouk. "I had a problem with her father because he wanted to marry off his son. He wanted me to give him a daughter, but I had none to offer him. The best solution is to look for girls from outside the community. But it is not easy."

monies and return the card to

me in acknowledgment. I could then use the holder's card for

future investments until the

vidual share ownership - and PEP shareholders would

receive annual reports, be able

to attend company meetings and receive the perks some

This would encourage indi-

£4,800 was exhausted. .

companies offer.

Robert Howes,

Power to the vote

From Mr Jeff Rooker MP.
Sir, Mrs Lynda Chalker's
ontburst (FT, August 12)
against moves within the Labour Party for electoral and constitutional reform is a bit of

She is a member of a govern-ing party which holds 57 per cent of seats in the UK Parliament on the strength of only 42 per cent of the votes. Because, within this total, that party holds no fewer than 68 per cent of the English seats on 46 per cent of the English votes, the Conservatives do not even need any support in Scotland

or Wales.
It will be interesting to watch Mrs Chalker, as the new Overseas Development Minister, travel the third world, explaining how we manage to have one person, one vote — but not each vote with equal

She can then come home and tell us how many countries she has persuaded to adopt this system. As the former Minister for Europe she falled - not only in western Europe but in eastern Europe via Poland and the Soviet Union - to export the unfair voting system on which her party power rests. Jeff Rooker, Chair, Labour Campaign for Electoral Reform,

10

'A military campaign' to keep Britain tidy

dropping litter, privatised rubbish-collecting services, and setting up the Tidy Britain Group to "get to the root of the

scems to have had much impact. Yet the solution is blindingly obvious: give litter a monetary value so that people have an incentive not to drop it in the first place.

People do not usually leave

PEP shareholdings

From Mr Robert Houses.

Sir, I would like to own.

shares in a PEP (personal equity plan), but halk at paying charges which often exceed the savings in tax to a standard rate taxpayer. Why candard rate taxpayer. Why candard rate taxpayer. Why candard rate taxpayer. Why candard rate taxpayer.

.

not the middle man be cut out, so I can invest directly?

Assuming a yield of 4 per cent, the anunal charge exceeds the saving in tax to a standard rate taxpayer. The Government, through National Savinge, should issue PEP holder's cards to applicants, which allecate £4,800 each year. I could huy shares through my broker and, within the period of (say) one month,

would have the right to present my holder's card to the reg-

Care for an urban jungle

From Mr John Dowding. From Mr John Douding.
Sir, Your article on the East
London Forest and the Dagenham Corridor (August 5) provoked mixed feelings. By all
means improve things, but
they are not as bad as they are

painted.
I often walk in the Dagen ham Corridor, I keep a particu-lar eye on the valuable public rights of way within it. I know of no derelict factories. Walking there is often a greater pleasure than in rural Essex where, as Dr Rawson will know, one may only walk a narrow path across farmland and that often lost by obstructions, plonghing or

7 Claremont, 16 St John's Avenue, SW15

cropping. In the Dagenham
Corridor you may wander relatively freely.

I urge forestry in the old
sense of the word, woods and
open spaces. Views are not
good from the middle of dense
woodland woodland. You mention other open areas, Hornchurch Country

Park and Belhus Woods. These are excellent, hnt would be even better with good footpath routes to walk from ona to another. John Dowding, Ramblers' Association, 300 Rickstones Road, Witham, Essex

Statesman of necessity

From Mr A.C. Mardall.
Sir, Your leader (August 15)
gives Mr P.W. Botha credit for
finally ceding South African
control of Namibia and agreeing to elections there in November." I suggest this is too generous.

South Africa had heen involved for some years in warfare in Angola which was becoming increasingly costly in lives and money; the situation became more and more politically unpopular among the South African electorate. Over and above this, because of an embargo (or perhaps one should say a form of sanc-tions), South African troops did not have adequate air

cover. Furthermore, there were

some 50,000 Cuban troops in Angole, and they and the Angolan forces were provided, to some extent, with modern weapons. Also it was reported in the UK press that a force of about 400 South African troops were at one stage cut off, surrounded by Angolan forces.

It therefore seems clear that Mr P.W. Botha succumbed to pressures so great that he had to take action. In those circumstances it does not seem appropriate that he should receive the credit that would perhaps have been his due if he had taken these statesmanlike steps of his own volition. A.C. Mardall, 14 Christchurch Road,

'Beyond the urban sprawl'

From Mrs H.L. Benjamin.
Sir, Whoever was it who had the quaint idea that the welfare of the countryside could safely be left to the farmers and land-owners? Many of them are not like that, their only qualification is that they

only qualification is that they own most of the land. The recent proposal to ease the hurden of planning con-trols on farmers and others who seek alternative uses for surplus agricultural land and buildings seems nothing more than a political sop to ease the pain of recession. There has to be a better way.

The Government seems to

take a view of rural England as

an enormous potential Disneyland. But the countryside is not the area ont there inst beyond the urban sprawl it is

Winchester, Hampshire

a civilised place where people can live peaceably.

I have a vision of this village, with a vast caravan site alongside the Grade 1 manor house, an amusement park (with catering facilities) beside the 14th century church, and flying, ballooning and para-chuting overhead. And noise, Yes, there has to be a better

way. H.L. Benjamin, Stanhoe Hall, King's Lynn, Norfolk

If I were Professor Graham Ashworth, director general of the Tidy Britain Group, I would run the operation like a military campaign, using a map of Britain divided into

administrative regions.

In each of these a team of public litter-collectors should be recruited; these would also deliver to the local recycling plant. (I would suggest one litter-collector per 1,000 head of population in any given area.) Every inch of coastline should be similarly accounted for. So should railway embankments which at present are a rich, unexploited mine of potentially re-usable rubbish. (One day we may "mine" landfill sites).

The job now done by refuse collectors should be upgraded, awarded high status, and remunerated accordingly. Groups such as the Scouts, the

Guides and the Boys' Brigade could also be co-opted.

We would strike at the problem at source if we could perage their goods in the minimum necessary material. Perhaps the European Parliament could persuade the coor-mously profitable French perfume houses to follow the lead of the Body Shop, and provide refills for perfumes and lotions? Greater use of biode-gradable plastics would help. The problems man has creeted, man can also solve. Instead of tickling the litter problem with measures either cosmetic or post hoc, or blud-geoning people with draconian

fines, let us adopt simple com-

mon sense. Harriet Lyall, 69 Merchiston Crescent, Edinburgh, Scotland

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From Miss Harriet Lyall.

"Relentless rubblah repels
tourists" (FT "Images of
Britain," August 15), mentions
solutions: increased fines for

None of these measures

items such as watches, cam-eras, clothes or even food lying around; we take care of these because they are useful, and sometimes have an artificial monetary value which far exceeds the value of their function. Most litter consists of

food packagings; either plastic, glass, paper or aluminium (drinks cans). The last three can all be recycled, and even some types of plastic can be melted down and re-used.

Richard Donkin's article was illustrated with a photograph of a pile of what looked to me like perfectly good boxes which

of a pile of what looked to me like perfectly good boxes which could either be re-used for their original function or pulped down to make paper. The raw materials of packag-ing have a money value. What was once a sought-after raw material—for example, alumaterial - for example, aluminium - remains so, even after it has been through the process which turns it into a

Coca Cola tin.
It would be a simple administrative matter for central Government to set up, in conjunction with local authority refuse departments, a nation-

wide network of collection points for paper, glass, plastic and aluminium cans, locating these in supermarkets, shopping malls and community centres, so that members of the public could hand in discarded packagings in exchange for a sum of money. Once upon a time (within living memory) all lemonade bottlee were returned on this basis: why can we not reintroduce the system and extend it to other packaging materials?

The collection point network could be linked with a network of recycling plants, and some of the money generated by the resale of recycled raw materials to industry could be ploughed back, both to maintain the system and to fund academic research into improved methods of recycling and pollution control. Final round of battle for Gateway ends with Panel approval

Newgateway takes up Isosceles offer

NEWGATEWAY, the US-backed loser in the £2bn-plus bid battle over Gateway, Britain's third largest food retailer, yesterday finally agreed to accept the cash and paper terms offered by the win-ning rival bidder, the newly-formed isosceles consortium.

Newgateway will accept cash of around £764m plus units (e mixture of ordinary and preference sbares) in Isosceles in exchange for its 40 per cent bolding in Gateway. This will give it around around 26 per cent of the Isosceles equity.

Isosceles will then make an open offer of additional units to all shareholders (other than its original backers). Newgateway will subscribe for its full entitlement under the open offer, plus a few extra units, lifting its holding to 39.9 per cent of Isosceles. This subscription will cost it £25m-£30m. Newgateway will get two

non-executive seats on Isosce-les' board, but Isosceles will go ahead with its planned com-mercial strategy for Gateway. The arrangement forms the

final act in a lengthy struggle for control of the food retail group. Isosceles acquired over 50 per cent of its target in mid-July and declared the bid unconditional. But Newgateway - representing Greet Atlantic and Pacific Tea Company and Wasserstein Perella - continued to add to its Gateway stake, eventually acquiring the 40 per cent holding for

The presence of this substantial minority interest prevented Isosceles taking Gatewey private. Given the leveraged nature of its bid, this carried various unhelpful tax implications. Meanwhile, Newgateway had ended up with a very large investment where it had no direct control.

a cost of around £860m.

Talks have been underway for some weeks. Any resolution, however, was complicated by the fact that Newgateway said, in the closing stages of the battle, that it had no intention of accepting the Isosceles offer whatever the outcome.

Yesterday's arrangements, therefore, required Takeover Penei approval. In e fairly lengthy statement the Panel said it had emphasised to Newgateway during the battle that it "attached considerable importance to parties not mak-ing statements during offers which are not subsequently

However, both Isosceles and Newgateway argued that cir-cumstances had changed, in that the latter was now being offered an increased interest in

The Panel also accepted that the minority position created uncertainties for the business

and looked at whether Gate-way shareholders had been disadvantaged by relying on Newgateway's earlier state-ment. The Panel decided that — on balance — the arrange-ment should be allowed.

The terms of the open offer allow Isosceles shareholders to acquire 16 units at £30 and 3 further units at 240 for every 120 ordinary shares held. The prices of £30 and £40 per unit are equivalent to 15p and 20p per Gateway ordinary share under the terms of the Isosceles offer.

The Newgateway interest will be split equally between A&P and Wasserstein and each will vote their holding sepa-rately. Yesterday, A&P esti-mated that its individual 20 per cent interest had cost the company around \$125m (£80m); Wasserstein put its own figure at around £50m.£70m.

Only £0.5m profit from Ward Hldgs

THE SHARE price of Ward Holdings dropped 10p yester-day as the severity of its midway profit setback became

knuwn.

At the pre-tax level this Kent-based property and construction group made only £517.000 for the six months ended April 30 1989, compared with £6.17m and with £14.44m for the whole of 1987-88.

On June 24 the group warned of a significant fall in profits because of a marked slow down in the sale of new bomes. On that news the shares initially fell 29p to 80p but later picked up to 98p; yes-terday they closed at 83p. Mr Dennis Ward, chairman,

said the deterioration of the housing market in London and the sontb-east occurred with unprecedented speed and

While the company bore the immediate impect of the downturn, early action - such as moving more strongly into the first time buyers' market -was taken to minimise its effect on the group.

Results of the action will become apparent in the second half, which had traditionally shown a better profit perfor-

Turnover in the first half fell from £23.54m to £17.1m, with house sales declining from £19.45m to £11.63m. On the positive side plant hire rose 53 per cent to £1.55m and gross rental income was well on the way to being trebled at

Earnings were well down at idend is held at 0.5p.

RHM abandons bond issue plan

Ranks Hovis McDougall, the food and bakeries gronp, said yesterday that it had abansterling convertible bond issue after deciding that it was not the most appropriate way to maximise the value of its assets, writes Andrew Free-

The deal would have been convertible into shares of Goodman Fielder Wattle, the Anstralasian food company for which RHM launched an aborwhich kink launched an apor-tive hid earlier this year. Hed the issue gone ahead, it would have been the largest of its kind in the Euro-sterling mar-

The deal was suggested as a way of re-financing RHM's 14.9 per cent stake in Good-man Fielder. That stake was put np for sale some time after the failure of the takeover bid. New issue traders on the convertibles market said the issue had been widely expec-ted, with two brokers making a grey market on Thursday.

Pillsbury incurs loss in second quarter

Pillsbury, a US subsidiary uf Grand Metropolitan, incurred a net loss of \$95.1m (£61m) for the three months to June 30, against a net profit of \$41.8m in the second quarter of 1988. GrandMet said the figures would require material adjustment before incorporation into

its own accounts. Mr Ian Martin, Pilishury's chief executive, said results from both Pillsbury and Burger King, its hamburger chain, continued "to be very satisfactory and fully meet our expectations." Net sales fell to \$1.34bn (\$1.47bn), reflecting the disposal of Steak and Ale, Bennigans, Bay Street, Godfa-ther's Pizza and Quik Wok restanrant chains and a grain trading business. Income before amortisation, interest and tax was \$98m (\$104m).

An amortisetion charge of \$33.4m (\$8.3m) would not be a charge to the group under UK accounting standards, Grand-Met said. Net interest accounted for \$170.7m (819.7m) but there was a tax credit of \$11m (\$34.2m charge). ill-health.

Midland buys Billingsgate City

MIDLAND BANK is buying Midland Montagu House, head-quarters of its investment hanking arm in the City of London, through a £99.6m rec-ommended offer for Billings-rate City Securities the listed

gate City Securities, the listed vehicle which owns it. The recommended deal, which valoes the building at £135m, brings an early end to the UK's first-ever experiment with a listed security backed by a single property asset. Bil-lingsgate's preferred sbares were floated in London last

were floated in London last year after being launched in Luxembourg in 1986. The purchase takes the form of an offer for the balance of the preferred shares in Bil-lingsgate not owned by Beris-ford (Switzerland), which is a subsidiary of Berisford Internasubsidiary of Berisford Interna tional the sugar processing and commodities group, and holds all the ordinary shares, and a separate deal with Berisford (Switzerland).

Midcorp, Midland's subsidiary, is offering preferred shareholders 133.5p in cash with a loan stock alternative. This is a 36.9 per cent premium to the value on Thursday of

the shares, which were issued three years ago at 100p each.

The price Midcorp is paying to the preferred shareholders is calculated on the basis of the theoretical entitlements of those holders in the event of a sale of the property for about £147m. Midland Montagu House was valued at £128m in

March of this year. Berisford's total consideration is about £88m, compared with £44.4m, the huilding'a original cost to the group. Under the deal with Midcorp. Berisford is receiving 168.82p for each preferred share in cash. The £35.1m payment for the ordinary shares is in loan

notes, Midcorp is also discharging inter-group indebtedness of Berisford has given irrevoca-ble undertakings to accept Mid-corp's offer in respect both of the ordinary shares and its 75 per cent holding in the pre-ferred shares. Undertakings have also been received in respect of 91.53 per cent of the balance of the preferred shares

some £52.5m nominal of deep discount mortgage bonds, issued along with the shares in

Berisford's offer last year failed to gain the recommenda-tion of the independent directors. Subsequently, Berisford lifted its holding to just over 75 per cent of the preferrad

Many had expected that Mid-land Montagn House would be purchased by a foreign buyer. However, it is thought Beris-ford may have encountered difficulties in negotiations due to Billingsgate's complicated capi-tal structure.

Midland's lease was to have run out in 31 years' time. A spokesman for the bank said the purchase of Billingsgate would mean it could make sure it would continue to enjoy the investment It had already made in adapting Midland Montagu House to its own particular needs.

The performance of Billings-gate's shares had been viewed as disappointing. However, yesterday's price was seen as an attractive one for the preferred holders.

a sufficient number to allow the offer to go unconditional. There are also outstanding BAT's jobs record attacked

WITH BAT Industries due to release its first formal defence document against the £13.5bn paper bid from Sir James Goldsmith's Hoylake consortium on Monday, the bidder yesterday turned the attack to BAT's own employment record.

In response to concerns expressed by both US politicians and trade unions, Hoy-lake claimed that BAT's employee numbers had fallen by 34.3 per cent in the UK since 1982 and by 35.6 per cent

US, his actions had led to "sig-nificantly" more people being presently employed. He added that the only jobs at risk as a result of the Hoylake bid were those held by some BAT executives in London. Sniping back, BAT and its

advisers said that this made no allowance for disposals, some in the labour intensive retail area. And they went on to attack Hoylake's chances of introducing some cash element into its bid at a later stage. BAT claimed that non-re-

Meanwhile, Sir James Gold-smith maintained that, at com-panies he had acquired in the tried to make arrangements to

back its current offer by cash - could amount to around £150m. It questioned whether Anglo, the medium-sized quoted company earmarked for the Goldsmith return, could shoulder this potential burden, or whether the Hoylake investors would wish to. BAT also expressed scepticism that such underwriting exercises would be possible given the scale of the bid.

Hoylake's only retort yester-day was that any underwriting exercise would be folly while BAT persisted in what Hoylake claims were "blocking tactics" on the US regulatory front.

General Cinema plans to trim its stake in Cadbury

By Anatole Kaletsky in New York

GENERAL CINEMA, the Massachusetts-based conglomerate which owns a strategic stake of about 18 per cent in Cadbury Schweppes, is to dispose of part of its holding in the UK drinks and confectionery company. General Cinema said it

would exchange 14m Cadbury shares for about £50m worth of convertible debeutures which it issued in 1987 to finance part of its Cadbury holding. General Cinema had the option of redeeming the bonds for cash instead of Cadbury shares and this is what it had been doing until what it had been doing until Thursday's filing with the Securities and Exchange

Commission.
The decision to start offering debenture holders sharas that General Cinema wished to lower its stake in Cadbury and had given up on the idea of mounting a bid for the British

However, tha shares involved amount to less than 3 per cent of Cadbury's outstanding equity and only one-sixth of General Cinema's

holding.

The US company's decision could merely represent profittaking. The price of Cadhury shares has more than doubled since General Cinema made its investment in 1987.

Young Group advances 31%

Young Group, one of the leading private-sector coal husinesses in Britain, increased its pre-tax profit by 31 per cent in the half year ended June 3 1989.

This USM-quoted group produced £1.37m from turnover of £14.49m, against £1.04m on sales of £9.3m.

sales of £9.3m.
Mr Robert Young, chairman, said there was some reduction in margins primarily as a result of measures taken to protect continuity of producprotect continuity of produc-tion in the run up to electricity privatisation, and in part because the exceptionally mild winter led to high stocks at

power stations.

Earnings were reduced to 9.64p (10.48p) on considerably higher capital. Interim dividends are initiated with a pay-

Seabrook denies illegal dealing

MR ROBERT Seabrook, former chief executive of the Throgmurton Trust, yesterday cate-gorically denied that he was guilty of insider dealing in relation to the sale of shares in Acatos & Hutcheson on March 29 1988.

29 1988.

"He [Mr Seabrook] is confident that the Department of Trade and Industry inspectors, when they have fully inquired into the facts, will totally exon-erate him." said a statement issued on his behalf.

His statement followed a similar denial by three other directors of the edible oils and fats manufacturing company earlier this week.

Meanwhile, the Throgmorton Trust said yesterday that any suggestion that Mr Seabrook's resignation was brought about by the DTI investigation into Acatos & Hutcheson was totally unfounded. His resignation was e direct result of his



Robert Seabrook - confident the DTI will exonerate him

Throgmorton confirmed that earlier this year it hadcommis-stoned an inquiry by its legal advisers into these matters and was satisfied on the basis of their report that there was no reason for any action to be taken by the board.

The report had been submit-ted to the DTL Mr Seabrook'a statement also attacked the version of the facts contained in an article published in The Sunday Times on August 13 on the sub-ject of the DTI probe, and addi-tionally claimed that it exag-gerated the number of shares

"The true position is that Mr Seabrook sold only about a third of his holding ... on March 29. He did so to avoid a higher rate of capital gains tax introduced in the Budget two weeks earlier which would affect sales of shares after April 6. He did not act on any inside information.

Throgmorton also said that, following Mr Seabrook's retire-ment, Mr Paul Loach and Mr Brian Rout had been appointed joint managing directors of the Throgmorton group. Mr Seabrook remains a non-executive

Plessey buys stake in Ferranti for £15m By Hugo Dixon

PLESSEY, the beleaguered electronics group, has spent about £15m buying a 2 per cent stake in Ferranti, a rival electronics concern.

Mr Stephen Walls, Plessey's

managing director, said there was a good fit between the two companies' operations in defence electronics and it might make sense to bring them together in a new group

Any move of this nature. Any move of this flattre, however, seema extremaly unlikely because Plessey is currently facing a 22bn hostile hid from from the General hid from from the General Electric Company and Siemens of West Germany. The stock market, which regards a takeover of Plessey as virtually a fait accompli, marked the company's share price down ip to 266p. Both Ferranti's and GEC's share prices were unchanged.

GEC's share prices were unchanged.

Ferranti, which has been the subject of takeover speculation for several years, said it was not in discussions with Plessey. The company has recently been through a had patch because of high interest rates, the slowdown in defence spending and the loss of several prices. spending and the loss of several important contracts. "It is late in the day and it iooks lika a spoiling tactic," said Mr James Dodd, an ana-

yst at Kleinwort Benson Secu-He said there was theoretihe said there was theoreti-cally a good fit between the two companies, but the result of any merger would be to increase Plessey's exposure to the defence market. He also said Plessey would have to explain what shareholders stood to sain given that it had

stood to gain given that it had bought the Ferranti stake with borrowed money. Separately, Plessey sent its shareholders a letter rebutting arguments in the GEC/Siemens offer document which was published earlier this week.
Plessey will bring out its full

Shares in Avon fall 51p after profits warning By Peter Pearse

beginning of next week.

Shares in Avon Rubber fell 51p to 504p as the tyres and indus-trial polymers group, said it did not expect its performance in the second half to be an improvement over that in the first. In the six months to April 1 pre-tax profits declined from £7.69m to £6.03m.

Mr John Bradbeer, finance id most of the b for Avon's "temporary difficulties" on residual problems from Motorway Tyres and Accessories, Avon's retail operation, and on mexpectedly low overseas orders for the com-pany's \$10 respirator. In May Avon sold - for

£16.5m - 70 per cent of Motor-way to SP Tyres, which mann-factures tyres under the Dun-lop brand and is a subsidiary of Sumitomo Rubber Industries. At the same time SP tries. At the same time SP bought e 20 per cent stake in the Avon Tyres subsidiary. In the run-up to the sale, Motorway had fallen from profits of £500,000 to losses of £1.5m.

High interest rates had squeezed the replacement market, Mr Bradbeer maintained, adding that a survey he had seen had revealed that 80 per cent of cars driven into depots

cent of cars driven into depots for tyre replacement already had tyres well below the legal

requirements.
In the year to April 1, Avon's 5220m turnover was divided into: £80m Motorway; £60m tyre manufacturing; and the rest non-tyre operations. Mr Bradbeer said that in the current year 75 per cent of a simi-lar turnover figure would be from non-tyre operations.

T Clarke surges

Profits of T. Clarke, the electrical engineer and contractor, surged from £827,687 to £1.69m pre-tax for the first six months of 1989. Turnover was almost £11m higher at £31.29m Earnings emerged at 10.194p (5.217p) per 10p share after tax of £687,000 (£315,000) and the interim dividend is being lifted from 0.9375p to 1.1625p.

Mr Smith said that "the manufacturing activity does not form part of Kunick's present strategy and it is intended to sell it to existing management for not less than £28m."

In the year to July 1989, BFS achieved sales of £4.8m and the self of £5.8m and the self of £5.8m it. operating profits of £5.6m. It

Russell Smith - a strong cash flow would help Kunick expand its care for the elderly activities

Bell Fruit operations for £87m

ment products and supplies

about 17 per cent of BFS's

machinery. Mr Smith said that "the

Kunick buys Cope Allman's

The deal is Kunick's most ambitious move since it joined the USM in January 1988 and doubles the size of the company at a stroke. It will make it one of the UK's largest amusement machines operaoperating profits of £5.6m. It employs about 1,300 people.
According to Kunick, there is considerable scope for improving margins at BFS.
MHG, Kunick's current UK amusement business, achieves returns of £5 per machine per week, compared with Bell Emilio 52.40. Mr Russell Smith, chairman, said the acquisition reflected

said the acquisition related Kunick's strategy of develop-ing a strong cash flow so as to finance the expansion of its care for the elderly week, compared with Bell Fruit's £3.40.

Mr Smith seld productivity could be improved through rationalisation, including redundancies, and economies of scale. He said that the com-Bell Fruit comprises two separately managed husinesses: hination of MHG and BFS Bell Fruit Services, which operates and maintains its 32,000

The acquisition is being financed through a £75m placing of new ordinary shares and convertible preference shares. The halance will be met through bank borrowings.

The shares are being conditionally placed with institutional investors but, under a clawback option, existing shareholders may subscribe for the units of 22 new ordinary shares and 13 new convertible preference shares on the basis preference shares on the basis of one unit for every 50 shares The units cost £31.88 each, representing a price of 59p per new ordinary share and 100p per convertible preference share. Yesterday, Kunick's

shares closed 4p down at 60p. On a fully diluted basis. Kunick's issued shares will increase from about 118m to 240m. However, Mr Smith said that he was confident that would give Kunick control of Kunick's annual target of 25 per cent earnings per share growth would be achieved. about 40,990 machines, second only to Allied Leisure, a sub-sidiary of Bass, the brewing.

Fruit cocktail of a structure

TRACING the ownership structure of the Bell Fruit Lei-sure Group is almost as diffi-cuit as hitting the jackpot on one of its machines, writes John Ridding.

fruit machines and quiz games, and Bell Fruit manufacturing, which makes a range of amuse-

By John Ridding

KUNICK, the leisure and

healthcare group, is paying 287m to acquire the Bell Fruit

amusement businesses from Cope Allman, a subsidiary of

Quoteplan, a holding company in which Mr Michael Ash-croft's ADT has a 49 per cent

This is perhaps not surpris-ing given the fondness of Mr Michael Ashcroft, whose AIT Group is its largest investor, for complex financial arrange-

ments.
Currently, Bell Fruit is owned by Cope Aliman, the only business of Quoteplan, an investment holding company set up at the beginning of 1988 to buy Cope Aliman from Henlys, a listed Canadian associate of ADT.

ADT holds 49 per cent stake of Quoteplan. Talisman Man-agement, which runs Quote-plan's businesses, has 20 per cent as does Ackermans and Van Haaren, a Belgian holding At the time of its acquisition:

by Quoteplan - a leveraged deal of about £210m - Cope Allman comprised three main businesses: packaging, Bell Fruit and engineering. The engineering businesses have been sold for a total of £38m and, following the sale

of Bell Fruit, total group bor-rowings, will be beduced by a forther 257m to stand at about pre-tax profits of about 5.28m

Mr Richard Grogan, chair-men of Quotoplan, Bell Fruit and co-founder of Talisman Management, said yesterday:

"We have had a very good
year from Beli Fruit and
increased operating profits by
50 per cent. But I don't have the resources to develop both a fast growing packaging busi-ness and Hell Truit, especially as we are a leveraged com-

pany."
The company will concentrate on the packaging divi-sion, which has 25 operations in 10 countries. Mr Grogan

Red Funnel forecasts at least £3.2m

RED FUNNEL, Sonthampton-Cowes ferry operator fighting a £21m bid from the Scandinavian-owned Sally UK Holdings, yesterday forecast pre-tax profits of at least £3.2m for 1989, a 12.6 per cent advance over the 1988

result.

In first-half figures also announced yesterday, Red Funnel — the trading name of Southampton Isle of Wight and South of England Royal Mail Steam Packet — lifted pre-tax profits by 14 per cent to just short of £1.2m (£1.05m) on turnover ahead by 8.7 per cent to £6.59m (£6.06m).

Red Funnel said, the recent

Red Funnel said the recent dock strike had reduced its towage profits for the year by an estimated £160,000.

raised by 50 per cent to 3p (2p), and Red Funnel forecast a final

and Red Funnel forecast a final of 7p, to raise the 1969 total by 25 per cent to 10p.
First-half earnings per share rose to 7.6p (6.96p), with full-year figures forecast to grow by 20.7 per cent to 20.3p.
Sally last night described the result, especially a "negligible" £9,000 rise in operating prefits at the half-way stage, as "very disappointing and lacklusire."
Mr Michael Wilkinson, Red Funnel chairman, said the profit forecast assumed that profit forecast assumed that the rival Cowes Express would begin operation on September 1 and would continue an unin-

terrupted service for the rest of the year. He described this as "conservative" and said there

The interim dividend is was "no more indication that this would happen" than when he last wrote to shareholders. However, Mr Michael King-

short, Sally UK's managing director, said this was "not remotely near the truth." The 1989 forecast failed to take into account a full year's competition of the comp tion from Cowes Express.

Red Funnel, he said, had no experience of direct competition comparable to Sally's record in the "piranha waters"

of the Channel.

Red Funnel shares were unchanged at 233p, compared with Sally's 205p offer. Sally has until next Friday to raise its bid. Mr Kingshott said his board was considering this and other cotions.

Increased losses for ICD after publishing disposals

Third Market company for-merly known as Publishing Holdings, announced that its

pre-tax losses had increased from £238,000 to £490,000 for the year to February 28.

During the year, the company sold its publishing interests, including its financial newsletters and magazines in an effort to focus its attentions on direct marketing and database services.

Yesterday, it was still hoping to complete its restructuring by selling its telephone infor-mation husiness to Maxwell

INTERNATIONAL Consumer Publishing, Communication & Data, the although the deal had been Third Market company for-delayed by several days this

week.
The company said the results had been affected by the sale of the businesses which had drained management resources, a reduction in the number of offices from seven to two and the decrease in staff from 168 to 52. The fixed assets of the com-pany increased to £3.6m, repre-

senting 21.1p per share. During tha year it spent £1.4m on the creation of databases.

The loss per share increased from 1.27p to 2.17p.

Ewart shares rise 22p on bid approach By Vanessa Houlder

Shares in Ewart, a property developer based in Belfast, yes-terday rose 22p to 142p after it announced the receipt of an approach which could lead to

The approach was believed to be made by two individuals who are primarily interested in the value of the company's stock market listing and the development value of its cold storage operation in Kent. This business, based on a 17-acre freehold site at Sevenoaks, was bought for £6m in April 1988. Ewart's net asset valua per share was 117p at October 31.

More ammunition for Molins' defence

By Ray Bashford

MOLINS, the cigarette machinery maker, has brought forward the announcement of significantly improved interim results as part of its defence against a takeover offer from IEP Securities, a UK vehicle of Sir Ron Brierley, the New Zealand businessman. In its second defence docu-

ment, Molins yesterday disclosed an increase in pre-tax profits from £3.3m to £6.3m in the six months to June 30. The figures were accompanied by another strongly worded rejection of IEP's £58.3m offer and details of the group's financial position which, the board said, added strength to its claim that the offer grossly undervalues the company.

IEP is offering 190p a share compared with yesterday's closing price of 216p, down 3p. Sir Ron Brierley's company controls slightly over 29 per cent of the capital, most of which was acquired in the run up to the first and unsuccessful 200p a phase of the for the first and unsuccessful 200p a phase of the for the first and unsuccessful 200p a phase of the for the first and unsuccessful 200p a phase of the fir ful 300p a share offer for Mol-ins in July 1987.

IEP has received acceptances for only 10,532 shares and next

week will have to make a further statement about its intentions with the offer, which could include a higher hid.

Mr Stuart Mitchell, IEP's UK chief executive, said the document contained no new information.

mation. He claimed that important parts of the defence were based on speculation about the outcome of litigation in the US and forecast surpluses from the group's pension funds. Molins is fighting in US.

courts for the preservation of rights to patents over flexible manufacturing systems, used

in computerised production lines. The company said that if successful it could "receive substantial income from past and future FMS installations. According to the document, the estimated value of surpluses on pension funds at May 31 this year was £55m.

The company forecast that it will not have to make pension contributions to the funds for at least 20 years, and that the surpluses should ensure that it will benefit from a major contribution to profits and cash flow during that period.



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ECONOMIC DIARY

TODAY: Malaysia's cocoe industry representatives meet Government officieta in Kuela Lumpur to resist plans to withhold supplies to raise prices, and to

supplies to raise prices, and to rejectioning the Internationet Cocoa Organisation. The Polithuro of the Central Committee of the Polish Communist Party holds plenary meeting to discuss political crisis, Warsaw.

TOMORROW: Yugoslevs hold protest meeting in Nitesic, Montenegro, against plight of the unemployed and worsening economic crisis. Cambodle conference report expected from UN mission, Paris.

Paris.

MONDAY: Central Statisticel

Office (CSO) publishes second
quarter provisional figures for
manufacturars and distributors stocks; and for gross domestic product (output-based). Organisa-tion of African Unity ad hoc com-

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mittee on southern Africa meets at summit level in Harare, Zimbabwe, chalred by President Hosel Mubarak of Egypt, to work out e joint OAU policy towards South Africa.

TUESDAY: July monthly figures from the building societies. Eight-nation African summit on Angola, Harare.

From tha. building societias. Eight-nation African summit on Angola. Harare.

WEDNESDAY: CSO publishes its Pink Book - United Kingdom Salance of Payments 1989 edition. New construction orders in June from the Department of the Environment. Balance of payments currant account and oversees trade figures for July from the CSO. House of Lords Select Committee statemant on European Community's report on habitat and species protection in the Community British Coal and mining unions discuss future of Marthyr Vala and Oakdale colliaries. Tredomen, Mid Glam.

THURSDAY: July figures for cyclical indicators for the UK economy from the CSO. Franco-German council (foreign ministers and central benk chiefs) starts two-day meeting at Lake Tegern in Bavaria to discuss economic situation and prospects, and prepare for IMF end World Back meetings in Washington in September. Mr Poul Schluter, Danish Prime Minister, visits Mr George Bush, US President, et his summer home in Kennabunkport, Maine.

FRIDAY: June figures for engi-neering sales and orders at curneering sales and orders at current and constant prices; and second quarter provisional figures for finishad steel consumption and stock changes - both from the CSO. British Heart Foundation statement on publication of heart ettack study. Edinburgh TV Festival opens (until August 28) with lecture by Mr Rupert Murdoch. Nine countries of Southern African Development Co-ordination Conference hold annual summit, Harars.

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b Mechanical Engineering (56). B Metals and Metal Forming (6). B Metals and Metal Forming (6). B Metals and Metal Forming (6). I Motors (17). Christopher Santiff Materials (23). Christopher Santiff Materials (23). Christopher Santiff Materials (23). Christopher Santiff (14). Christopher (13). Christopher (13). Christopher (13). Christopher (14). Christopher (15). Chemicals (22). Chemicals (22). Chemicals (22). Chemicals (23). Chemicals (24). Chemicals (25). Chemicals (26). Chemicals (26). Chemicals (27). Chemicals (28). Chemicals (29). Chemicals (28). Chemicals (29). Chemicals (29). Chemicals (29). Chemicals (29). Chemicals (29). Chemicals (29). Chemicals (20).	1215.08 1608.23 3018.94 2281.55 548.93 527.84 368.79 1881.53 1378.29 1281.82 2459.26 2459.26 2459.26 2459.26 1777.80 619.97 3865.24 1777.80 1212.07 1698.87 1328.51 1785.91 2467-26 1141.32 2121.07 1785.91 2467-26 2183.91 1255.02 2183.91 1217.54 803.23	+0.4 +0.1 +0.2 +1.8 +1.5 +1.5 +1.5 +1.6 +0.3 +0.2 +0.3 -0.2 +0.1 -0.5 -0.4	10.63 12.33 14.84 7.75 8.52 9.19.43 110.41 8.34 7.91 8.58 8.40 7.91 8.22 9.92 19.53 6.60 9.81 9.10 9.11 10.41 10.41 10.43 9.84 9.81 9.18 10.41 1	4.01 4.38 4.45 3.83 3.28 4.18 3.73 3.15 3.49 4.31 4.12 5.94 4.31 4.12 5.93 2.19 4.67 4.37 5.13 5.13 5.13 5.13 5.13 5.13 5.13 5.13	11.57 18.09 18.00 13.97 15.22 12.43 14.38 14.58 14.58 14.58 14.58 12.77 18.71	26.47 53.67 52.79 10.58 14.84 8.25 54.02 22.10 25.65 21.04 38.37 22.32 9.63 88.95 17.02 15.36 23.13 22.79 40.83 22.30 22.30 23.03 33.83 29.86 18.87 7.36 18.87 9.83 18.89 7.83 18.89 18.87 9.83 18.89 18.87 9.83 18.89 18.87 9.83 18.89 18.87 9.83	1289.79 1686.25 3013.90 2272.32 547.98 522.43 368.85 1854.46 1361.60 11552.94 1194.45 2638.54 2496.19 1774.22 617.89 3874.28 878.43 570.76 1216.67 1216.67 1216.67 1216.63 12463.02 1255.18 1246.03 2188.12 136.40 1199.43 371.84 1393.64 575.68 1267.84 7718.54 1393.64	1684.35 2994.51 2294.51 546.13 510.01 362.97 1835.55 1356.37 1545.74 1188.35 2623.83 2488.84 1771.36 617.90 3658.70 673.62 574.74 1202.10 1628.36 1333.50 1786.56 2450.79 1695.14 1753.81 1792.88 793.61 1198.73 627.57 945.20 369.34 1264.68 775.466	1216.34 1595.79 2993.56 2259.92 542.00 516.24 359.13 11341.43 1515.63 1174.98 2600.11 2600.11 267.59 1751.95 611.71 3843.04 869.40 570.43 1195.47 1195.47 1195.47 1195.47 1195.50 1230.63 2170.25 1310.71 189.50 625.51 935.48 330.56 1377.20 575.21 1259.30	1612.91 2174.41 1767.13 428.21 493.75 284.59 1325.41 1099.84 1131.92 982.71 1978.55 1838.57 1838.57 1838.57 1838.57 197.40 199.20 1052.11 1227.40 1958.58	3018.94 2308.22 558.03 562.47 363.85 1801.53 1378.29 1552.94 1212.66 2659.26 1694.54 623.62 3916.24 911.11 576.62 1220.79 1620.36 1370.94 1819.46	18/0 11/5 14/3 14/3 14/8 19/5 17/8 11/8 11/8 10/8 0 /8 8 /2 7 /8 8 /2 7 /8 11/8 11/8 11/8 11/8 11/8 11/8 11/8 1	775.54 939.06 1468.51 12294.30 1776.44 406.34 406.34 406.34 1311.63 11016.74 1112.42 926.04 1178.46 1178.46 1178.46 1178.20 1346.22 523.80 677.97 484.58 896.15 1036.37 1254.94 1183.56 935.74 1725.48 1802.81 1795.48 1802.81 1795.48 1802.81 1795.48 1802.81 1795.48 1802.81 1795.48 1802.81 1795.48 1802.81 1795.48 1802.81 1795.48 1802.81 1795.48 1802.81 1795.48 1802.81 1795.48 1802.81 1795.48	3535353535353333333345031111111111111111	1038.07 16/7 /87 1381.08 16/7 /87 1381.08 16/7 /87 1381.08 16/7 /87 1381.894 18/8 /89 5308.22 19/5 /89 558.85 28/7 /89 558.85 28/7 /89 558.85 28/7 /89 1881.53 18/8 /89 1881.53 18/8 /89 1881.53 18/8 /89 1881.53 18/8 /89 1816.64 14/7 /89 1212.66 14/7 /87 1255.94 17/0 /89 1212.66 14/7 /87 1753.46 0 /8 /8 /8 /89 2699.85 16/7 /87 5070.66 5 /10/07 1161.58 29/7 /87 1260.79 9 /8 /89 1795.57 17/7 8/8 1281.74 /87 1285.74 /9 /87 1285.75 17/7 /87 1285.72 9 /18/87 1285.72 9 /18/87 1285.72 9 /18/87 1285.72 9 /18/87 1285.72 9 /18/87 1285.72 9 /18/87 1285.72 9 /18/87 1285.72 9 /18/87 1285.72 9 /18/87 1399.56 11/7 /87 547.59 12/8/87 1395.58 14/7 /87 1447.77 7 /11/8	56.71 13/12/7- 44.27 11/12/7- 44.27 11/12/7- 71.48 2 /12/7- 84.71 25/6 /6: 1229.01 D /10/8: 45.43 5 /1 /7: 49.65 6 /1 /7: 277.55 15/1 /6: 61.41 13/12/7- 59.67 11/12/7- 59.67 11/12/7- 59.63 6 /1 /7: 55.60 6 /1 /7: 55.60 6 /1 /7: 55.60 6 /1 /7: 55.60 6 /1 /7: 55.60 6 /1 /7: 56.63 6 /1 /7: 58.63 6 /1 /7: 59.01 13/12/7- 66.34 9 /13/12/7- 65.86 16/12/7- 31.21 7 /1 /7: 56.01 20/4 /65. 33.29 17/11/7- 71.12 13/12/7- 66.31 30/9 /7- 71.12 13/12/7- 66.31 30/9 /7- 77.12 15/12/7-
FT-SE 160 SHARE INDEX	Index No.	Bay's Change	Day's High (a)	Day's Low (b)	Aug 17	Aug 16	Aug 15	Aug 14 2325.9	Aug 11	Year 290	2375.1		1782.8			986.9 23/7 /84

						AVERAGE GROSS REDEMPTION YIELDS	Fri Aug	Thu	Year ago	1989				
									18		(approx.)	High	Lo	w
PRICE INDICES		Fri Aug 18	0 ay's change %	Thu Aug 17	xd adj. today	xd adj. 1989 to date		British Government Low 5 years Compones 15 years 25 years	9.35 9.05 9.00	9.37 9.05 8.99	9.72 9.42 9.10	10.39 38/12 9.76 14/6 9.59 14/6	8.88 8.77 8.73	9 /2 9 /2 16/2
1 5 years 2 5-15 yea 3 Over 15 y 4 Irredeem	rerament 11 5 12 ears 14 ables 17	8.00 8.00 70.52	+0.09 -0.03 -0.09	118.67 135.12 148.04 170.68	1111	7.80 8.64 7.97 7.32	6 7	Medium Syears		10.29 9.47 9.13 10.42 9.67 9.29 9.03	10.13 9.64 9.33 10.24 9.80 9.36	11.33 14/6 10.20 14/6 9.81 14/6 11.44 14/6 10.49 14/6 9.99 14/6 9.57 14/6	9.96 9.21 8.85 10.13 9.41 8.99 8.68	B /2 8 /2 17/2 8 /2 8 /2 27/1 15/3
6 5 years 7 Over 5 ye	23 24 25 14 3 14	1.04 10.27	+0.09	140.91 139.96 139.91	0.16 0.15	2.26 2.66 2.61	12	Index-Linked Inflation rate 5% Inflation rate 5% Over 5 yrs. Inflation rate 10% Syrs. Inflation rate 10% Over 5 yrs.	2,76 3,42 1,92 5,25	3.46 2.14	1.83	4.04 2 /6 5.84 5 /6 5.30 2 /6 3.67 5 /6	2.76 3.42 1.92 3.25	18/8 18/8 18/8 18/8
	L LI 285 11	14,99	+0.03	114.96		6,77	16 17	Debs & 5 years Luans 15 years 25 years	12.95 11.68 11.11	12.95 11.69 11.12	10.92 10.86 10.80	12.95 17/8 11.99 3 /8 11.38 14/6	11.47 11.19 10,66	30/12 1 /2 27/2
10 Preferen	£	9.17	******	89.17	-	3.54	28	Preference	10.23	10.23	9.82	18.43 30/12	10.00	17/3

			1	1 1							
40 pc	ning Index 2368.4; 1	0 am 23	64.B; 11 a	m 2372,2; N	000 2372.3; 1 pi	n 2372.4; 2 pm 2	368.3; 3 pm 2	2369.6; 3.30 p	om 2371.7: 4 pm 2372.3 (a)	5.00pm (b) 9.4	lam .
. 1	Empity section or grow	m 8	lase date	Base value	Equity se	ction or group	Base date	Base Asine	Equity section of group	rase date	Base value
	cies		31/12/86			ers		100.00	Mining Finance		100.00
	Igmerates		31/12/86	1114.07	Mechanical E	ngineering	, 31/12/71	153.84	All Other	10/4/62	100.00
	hone Networks		30/11/84		Industrial Gro	шр ди	31/12/70		British Government	31/12/75	100.00
	ronics		30/12/83	1646.65	Other Financi	al	31/12/70	128.06	Do. Index-linked		100.00
Othe	Industrial Materials	5	31/12/80	287.41	Food Manufa	cturing	. 29/12/67	114.13	Debs & Loans		100.00
Hea!	th/Household Product	ts	30/12/77	261.77	Food Retailin	q p	29/12/67	114.13	Preference	31/12/77	76.72
Cohe	- Crounc		30/12/77 31/12/74	65.75	Insurance Bro	kers	29/12/67	96.67	FT-SE 100 ladex	30/12/83	1000.00
t Fla	A whald A lifet of conce	it wante	k avallahle	from the Pu	bilshers, The Fin	ancial Times, Nurr	nber One, Sou	thwark Bridge,	London SE1 9HL, price 15p.	ıy post 32p.	
•	CONSTITUENT	CHANGE	S: Arlingt	on Securities	169), Newarthill	(3) and Imry Merc	hant Oevelop	ers (69) have b	een deleted. Babcock Internati	onal (6) has been	Inserted.



CORUM

Corum congratulates the skippers and crews of the UNITED KINGDOM yachts «JAMARELLA», «JUNO IV» and «INDULGENCE VII» the winners of the Corum trophy - the second regatta in the famous international Mumm Admiral's Cup race 89.

Admiral's Cup. A registered model with enamelled nautical pennants marking the hours, water-resistant, in solid gold or steel/gold, for men and women. For further information or for a brochure, write to Corum. 2301 La Chaux-de-Fonds, Switzerland.

Interin report and report dividend

The following are the unaudited financial results of the corporation and its subsidiaries for the six months ended June 30 1989, together with corresponding figures for the stx months ended June 30 1988 and the year ended December 31 1998. These should be read in conjunction with the notes below:

		moed	enced
	39.6.89 R t	30.6.88 million	S1.12.88 R million
Turnover	2 790	2 123	4 728
Earnings from operations	586	345	847
Share of earnings of associated companies	118	, 88	218
Dividends	55	43	80
Retsined earnings	63	45	138
Income from investments and Interest earned	26	. 44	75
earned .	730	477	1 140
Course Jose shower	35	38	76
Finance lease charges Interest paid	21	29	37
L	56	67	113
Earnings before taxation	674	418	1 027
Taxation (Note 5)	241	135	337
Earnings after texation Outside shareholders' interest in earnings	433	275	690
ol subsidiaries	131	74	173
Earnings attributable to ordinary shareholders	302	201	517
Number of ordinary shares in Issue (000)	53 940	53 685	53 860
Earnings per ordinary share" - cents	561	375	963
Dividends per ordinary share - cents	110	85	290
Interio	110	85	85
Final	_	_	205
Capital expenditure for period - R million	222	122	432
Capital expenditure commitments - R million		339	683
Group capital employed - R million	5 259	4 412	4719
Group net borrowings - R million	656	898	720
Debt to equity ratio - per cent	21	34	25

Notes:

1. During the six months to June 30 1989 an additional 79 349 ordinary shares in the capital of the corporation were issued in terms of The Angio American Group Employee Shareholder Scheme and in terms of the corporation's Share Incentive Scheme for senior executives.

"Based on weighted average number of 53 874 044 ordinary shares in issue for the period.

2. There were no material changes in contingent liabilities from those disclosed in the latest annual report.

3. At June 30 1989 all foreign currency loans taken up by Amic's subsidiary companies were fully covered by lorward exchange

4. in the period under review, the group has brought to account extraordinary charges of R3.1 million (1988: R2.2 million). These relate to the group's share of extraordinary losses in subsidiaries and

5. The taxation charge includes deferred tax provisions, based on the comprehensive method, of R111 million (1988: R93 million).

6. Earnings per share to the lirst six months have increased by 50 per cent compared with the same period of 1988 and the interim dividend has been increased by 29 per cent to 110 cents per share (1988: 85 cents). The group earnings reflect the benefit of the exceptional export prices of certain commodities produced by our subsidiaries and the effect of the continued depreciation of the rand. Earnings are expected to grow in the second half but at a lower rate because of the softening ol prices in certain of the group's export markets and the decline in the growth rate of the domestic economy.

For and on behalf of the board L Boyd W G Boustred

Deputy Chairman

Compare Regulation No. 53/05282/06 1381 ion Limited

> Copies of the interim report will be posted on or about Wednesday, August 23 1989.

Interim dividend No. 51

On Thursday, August 17 1989, the directors of the corporation declared interim dividend No. 51 on the ordinary shares as follows:

Amount (South African currency) Last day to register for dividend (and for changes of address or dividend instructions) Friday, September 15

Registers closed from Saturdsy, September 16 Saturdsy, September 30

to (inclusive) Ex-dividend on The Johannesburg Stock Exchange and on The Stock Exchange

Currency conversion date for sterling payments to shareholders paid from London Dividend warrants posted Payment date of dividend

Rate of non-resident shareholders lax 15 per cent The full conditions relating to the dividend may be inspected at the Johannesburg and London offices of the corporation and its transfer

By Order of the board Anglo American Corporation of South Africa Limited

per 0 J Alison Divisional Secretary

Transfer Secretaries Consolidated Share Registrars Limited

44 Main Street 1st Floor - Edura Johannesburg 2001 48 Commissioner Street Johannesburg 2001 (PU Box 6158T Marshalltown 2187) (PO Box 61051 Marshalltown 2107) South Africa Johannesburg 2001

Barclays Registrars Limited 6 Greencoat Place London SW1P IPL

London Office

Registered Office

August 18 1989

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Monday, September 18

Monday, September 18

Thursday, October 19 Friday, October 20

DSM doubles profits and names date of next issue

By Laura Raun in Amsterdam

DSM, the Dutch chemicals company which is being pro-gressively privatised, yesterday unveiled doubled profits and said the offer price for the next one-third tranche of its shares would be announced between September 20 and 22.

The sale of 12m shares through an international offering could raise around Fl 1.56hn (\$703m), based on yesterday's closing share price of Fl 134.40. An initial third of DSM earlier this year raised Fl 1.3bn for Dutch state coffers and was the biggest flotation in Dutch history.

An international promotion will be launched next week to pitch the issue to institutional inventors in Supremental Advances.

investors in Europe and the US. About 40 per cent of current DSM sbareholders are from outside the Netherlands. Mr Adrianus Timmermans of DSM's management hoard

refused to say whether existing shareholders would receive preferential treatment in the

in Dutch Government hands. Early elections are being held on September 6 following the collapse of the Christian Democrat-Liberal coalition in

DSM profits in the second quarter were boosted by a relatively buoyant chemicals industry and by extraordinary gains. Net income climbed to Fl 343mn, or Fl 9.80 a share, from Fl 167mm, or Fl 4.80 per share. This was helped by a Fl 84m credit on DSM's sale of 60 per cent of its stake in DAF. the Anglo-Dutch truck maker. Mr Timmermans repeated the company's forecast that race company's forecast that earnings for all of 1989 would "significantly exceed" last year's F1 622m. But be refused to be drawn on expectations for the third quarter or details of the second-quarter course of

In the April-June period operating income rose 11 per cent to Fl 358m. Operating income in chemicals may have second tranche. He noted that political uncertainty surrounded the future of the last third of shares, which remain

dropped in the second quarter compared with the first three months.

Operating margins shrank to 12 per cent in the second quarter from 15 per cent in the same period of 1988. Mr Timmermans noted that selling prices were under pressure in polymers and low-density poly-ethylene.

For the first half, net income

was also more than doubled to FI 640m, or FI 1820 a share. from FI 317m or FI 9.10. Oper-ating profit climbed 20 per cent to FI 781m with all product divisions contributing to the increase except chemicals and peripheral activities. In the chemicals division a plant stopchemical hybridia a mant sup-page for maintenance work was blamed. Its "other activi-ties" gronping was hurt by Macintosh, a half-owned textile

An interim dividend of Fi 1.60 e share was declared. Mr Timmermans said anb-scriptions for the second priva-tisation tranche would open when the pricing is announced. Allocations will be disclosed on October 1.

ABN reports rise to Fl 351m

ALGEMENE Bank Nederland (ABN), the higgest Dutch bank, yesterday singled ont merchant hanking and foreign operations as the prime cause of a 15 per cent rise in first-half net profits to Fl 351m (\$158.2m). On per-share basis, earnings

rose a more modest 8.5 per cent to Fl 3.07 from Fl 2.83, hnt ABN forecast that for all of 1989 they would exceed the Fi 5.59 of 1988, and the interim dividend is being increased to Fi 1.40 e share from Fl 1.35. Commission income, including merchant hanking fees, jumped 22 per cent while earnings at Bank Mees & Hope, ABN's merchant bank subsidiary, surged 17 per cent. For-eign operations were aided by

Interest income rose only 7 per cent under the pressure of squeezed margins in the Netherlands, where short-term

rates are higher than long-term ones. Despite a greater volume of lending, domestic interest income was lower.

Revenue grew 14 per cent to Fl 2.6hn. Board of Exchange Bancorp, a Chicago bank which ABN is acquiring, will not be consolidated until next

The balance sheet total expanded to F1 188.8hn hy Jnne 30 from Fl 170.3hn on

Positive sales outlook Canada Trustco plans US moves expected to buoy Hösch By Robert Gibbens

in Montreal

INTERIM pre-tax profits rose 48 per cent at Hösch, the West CANADA TRUSTCO, one of the country's two largest trust companies, plans to expand into the US by huying a sizeable but so far unnamed savings and loans company in the North-East.

Canada Trustco Mortgage Corp. the parent company, is almost wholly owned by Imasco, the Montreal-based tobacco products, fast food and retailing group. Imasco in turn is 40 per cent owned by BAT

Industries of the UK. Canada Trustco said management of the target thrift was aware of the price proposed, adding only that the company was profitable. Canada Trustco began

pany ebout a year ago.

By Our Financial Staff

German steelmaker and engineer, which said yesterday:
"Nearly all units will have
plenty of business until well
into the second half."
Group profits were DM325m
(\$168.3m) before tax in the six

months to June compared with DM219m, while sales rose 10.6 per cent to DM4.51bn and new orders were up 7.5 per cent to" DM5.97bn. Hösch added that "the cur-

rent order inflow signals that a continuation into the second half of the positive sales and earnings developments can be

Steel output was described sales of steel products rose 6.8 for hy acquisitions.

per cent to DM1.98hn. Turn-over in its industrial technology sector gained 21 per cent to DM1.81bn.

· A Federal Cartel Office offi-A rederal Cartel Office offi-cial confirmed yesterday that it had decided to bar the planned takeover by MAN, the German engineering group, of the Swiss-based Sulzer's diesel engine division. The final rul-ing would be issued later. · Von Roll, the Swiss engineering company, expects a further slight improvement this year on its 1988 record earnings of SFr82m (\$49.3m), writes John Wicks in Zurich. For the first half, consolidated sales were up 18 per cent

to SFr1.07bn, with only 3 per

1780-5 1770-5

Cash 1796-7 3 months 1777-8

1762-4 1762-4

HK\$922m rights issue

By Michael Marray in Hona Kona

CHINA Entertainment, the Hong Kong investment com-pany which recently reported first-half losses of HK\$64.5m (US\$8.26m) because of provisions for stock market holdings, bes annonnced a
HK\$922m rights issue, the second big cash call from a company within the Evergo group
in less than two months.

Last week China Entertainment announced that it had itself subscribed HK\$390m to itself subscribed HASSOM to take up 99 per cent of a rights issue from Superford Financial Holdings, comprising its own allotment and underwriting commitments for the balance, which was spurned by share-

Now Chinese Estates is set to take up its full entitlement of 45 per cent, or HK\$415.2m, in China Entertainment's own rights issue, and could end up with all the offering if the public fails to hite.

lic fails to hite.

The Evergo group of companies, controlled by brothers Mr
Thomas Lan and Mr Joseph
Lau, are known for their calls
on shareholders. Last November an issue arranged for their
Paul Y property and construction unit was blocked by the

Hong Kong stock exchange.

Although this was because of lack of details over how the proceeds would be spent, some market wetchers have expressed concern at a constant shifting of cash and assets within the Evergo group, which comprises five group, which comprises five listed vehicles.

Around HK\$432m of the money raised in the latest move will be used to repay China Entertainment's debts to Chinese Estates, with the rest being spent on payments due on land acquisitions and property developments.
China Entertainment has

appointed Peregrine Capital to advise an independent commit-tee of the board on its latest

The offer is pitched at HK\$1 a share compared with a close on Thursday of HK\$1.34. Yesterday the Hong Kong stock market plunged on worries of further political upheavals in China, and China Entertainment shares ended perilously close to the rights price at only HK\$1.06.

The possibility that the public will not take np its allot-ment is clearly recognised, with China Entertainment saying that if necessary it will take steps to ensure that not less than 25 per cent of the issued shares of the company are in public hands within two months of the completion of the rights term. the rights issue.

The same exercise is cur-Superford.

Evergo unit unveils | Management extends IEL offer

THE management hid for control of Industrial Equity (IEL), the Australian arm of Sir Ron Brierley's New Zealandbased entrepreneurial empire, was yesterday expanded to a full A\$1.8bn (US\$1.4bn) take-

full A\$1.8bn (US\$1.4bn) takeover offer after objections from
key sharebolders.

The move came from Corama, a vehicle which is 75 per
cent controlled by Mr Abe
Goldberg, the Australian textile magnate, and 25 per cent
by Mr Rod Price, IEL chief
executive, and Mr Bill Loewenthal, its acting chairman.

IEL's principal operating
asset is the Woolworths retail
chain in Australia. Before Mr
Price and Mr Loewenthal

Price and Mr Loewenthal oined forces with Mr Gold-berg, the group was due to be

taken over by the Goodman Fielder Wattie food combine under e deal reached with Brierley Investments (BIL), IEL'o parent. That plan was stymied by objections by Goodman Fielder shareholders.

Corama last month bought 20 per cent of IEL from BIL for A\$360m or A\$2.40 per share, and contracted to lift this to 52 per cent by bnying BIL's remaining 32 per cent bolding and another 20 per cent held by Goodman Fielder.

But the plan aroused its own objections — from Mr John Spalvins, head of the Adelaide Steamship conglomerate, which built up a significant 12 per cent stake in IEL, and from Sir Ron himself, who questioned whether control of IEL

should pass without a full bid.
In an announcement to the stock exchange yesterday, Mr Price said Corama proposed to make a takeover offer for all of IEL at A\$2.40 per share, subject to obtaining the necessary finance and e minimum acceptance condition of 75 per cent. finance and e minimum accep-tance condition of 75 per cent.

Whether the move will meet the objections of Sir Ron and Mr Spelvins is unclear. Much depends on the valuation put on IEL's shares in an indepen-dent report, and on tha chances of Corama lifting its offer still further.

(Mr Spalvins was quoted as saying later yesterday. "Ad-steam's position is that we will review our options... includ-ing making a higher hid our-selves.")

tion, during which millions of dollars of doubtful debts were written off as the result of the

country's rural recession.

Fletcher disclosed yesterday
that Rural Bank had made net
profits of NZ\$135m in the year

to March, and expected a simi-lar performance this year.

It is buying the bank on a price/earnings multiple of only four at a time when interest rates are falling and a farming

recovery gathers momentum.

This increases the prospect that many farmers who had been in financial difficulties

will become viable again and be able to complete their debt

Corama, because it will be heavily geared, will be expec-ted to spell out its plans for IEL. Its principal bankers are Bankers Trust Australia and Citibank, which were said yes-terday to be finalising the nec-

essary finance.
IEL is meanwhile proceeding with its offers to buy out the minorities of two subsidiaries. Southern Farmers Group and Acmex Holdings, and yesterday agreed to sell its stake in Goliath Cement to joint bidders Pioneer Concrete and

On local stock markets, both IEL and Adelaide Steamship recorded gams. IEL finished 8 cents higher at A\$2.26, still below the offer price. Adsteam rose 14 cents to A\$8.20.

Fletcher Challenge buys NZ farm lender

By Terry Hall in Wellington

fletcher Challenge, New Zealand's largest com-pany, is to pay e minimum of NZ\$550m (US\$321.7m) for Rural Banking and Finance Corpora-tion, the government agency which is the main lender of mortgage finance to the farm-ing sector.

The sale has aroused intense

opposition from two farming groups who both wanted to huy it. One group, backed by the Federated Farmers national lobby group, said it was furlous with both the Government and Fletcher over the deal. Mr Brian Chamberlin, its chairman, said the Government would pay dearly in next year's elections for its decision. He said the bank should have been sold to farmers for the good of the industry rather than to Fletcher, the country's largest stock and station agent, which was monopolistic.

The Federated Farmers bid also valued the bank et NZ\$550m. This offer was backed by Sir Ron Brierley's Brierley Investments as well as the New Zealand Dairy Board, the New Zealand Board and Farmers Mutual Insurance. Fletcher has also undertaken to pay a minimum of NZ\$75m

ont of recoveries from the bank's loan loss provisions in three years. This could rise by a further NZ\$130m under claw-back arrangements for overprovisioning of loan losses.

The bank retains an obligation to repay a further
NZ\$450m in debt to the Government as this falls due. The Government said the sale could eventually reduce the public debt by NZ\$1.13bn. The Government injected NZ\$1.07bn into the bank last year in order to finance its change to a commercial opera-

The bank is the largest lender of medium-term and long-term finance to farmers and holds 73 per cent of all

ers and at March had loans business called Wrightson NMA, which provides short-term seasonal loans.

Rural Bank was set up by the Labour Government in 1074 the Labour Government in 1974 to provide low interest loans to farmers but in recent years has been a target of criticism by Labour MPs for alleged favouritism in backing farming friends of the opposition Ranonal Corporation, the New Zealand property and industrial investment company, said yesterday it had reached agreement with its

banks on a moratorium covering about NZ\$100m of debt, our Financial Staff writes. Since the 1987 crash it had written off more than NZ\$450m, according to Sir

.. .

34,<u>24</u>4.

farm first mortgages. It has 40,000 clients representing two-thirds of all full-time farm-Francis Renoul, its founder.

Bourse requires higher price for Victoire

By George Graham in Paris

THE French stock exchange yesterday approved the bid by Compagnie Financière de Suez, the French investment and the French investment and banking group, for Compagnie Industrielle, but required it to raise its price in the linked offer for Groupe Victoire, the leading insurance company in which Compagnie Industrielle is the key shareholder. Final approval of Suez's offer document is expected on Mon-

document is expected on Mon-day from the Commission des Operations de Bourse (COB). the French stock market regulatory authority. Trading in Compagnie Industrielle's and Victoire's shares, suspended since August 4 in the run-up to the twin bids, will then resume on Tuesday. Suez is bidding a total of

FFr15.9bn (\$2.4bn) at FFr13,000 Compagnie Industrielle's capi-

29,213 lots

tal that it does not already own, if the hid is successful Suez will then offer to buy in Groupe Victoire's shares at FFr2,000 and its non-voting certificates of investment at FFr1,000 under the maintien de cours procedure, a price support mechanism mandatory on the French stock market when control of a company changes

The Suez bid had originally proposed a price of FFr1,800 for each Victoire share and FFr900 for its certificates of invest-ment. The stock exchange asked for the increase, following a 1973 COB ruling, in order to make the Victoire price more coherent with the very high price being offered for Compagnie Industrielle, which has as its principal asset a

FFr32bn, could end up costing Suez as much as FFr800m more than it had originally planned, the company calculates. the company calculates.

The Paris commercial court
last week ordered the freezing of Compagnie Industrielle's autocontrols - shares held by its own subsidiaries - amount-

values Victoire at just under

ing to around 14.6 per cent of The temporary injunction Monde, was obtained by Suez against— Mr de la Genière said Suez ine opposition of Mr Jean Marc hail not sought a tauth for converge vernes, chairman of Compact tiel of Victoire, but had been nie Industrielle and Suez's forced to launch its bid when rival for control of the Victoire

group, but the case will be heard in full on August 25.

Mr Renaud de la Genière, Suez's chairman, estimated yesterday that the net cost to his company of the bids should be no more than FF-Shu to The increase in price, which FFr4bn, though it might need

Close Previous High/Low

to mobilise some FFr20bn in the short term. He said Suez planned to buy all the shares of Compagnie Industrielle and of Victoire but then to replace a large minority with other investors, as it had done after taking control of Societé Générale de Belgique last year. Some asset sales might also be envisaged, he said in an interview with Le Monde.

Mr Vernes sought to alter Vic-toire's shareholding structure to finance the company's acquisition of Colonia, a West German insurer. His position consisted of saying either you are diluted, or you pay four

618/4 593/0 683/4 593/0 602/0 611/0 616/0

608/0 550/0 523/0 504/0 504/4 601/4 607/0

508/0 554/0 575/4 584/6 594/4 603/0 607/4 602/0

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1989	Low 1989
Gold per troy oz.	\$366.75	+5.25	\$432	\$412.25	\$360.25
Silver Per troy oz	334.7p	+12.7	392_350	358,85p	313.90g
Aluminium 99.7% (cash)	\$1782.5	-21.5	\$2770	\$2610	\$1664
Copper Grade A (cash)	€1796.5	+ 137.5	£1316	£1982.5	£1474
Lead(cash)	£453	+17	£351	£453	£337
Nickel (cash)	\$12785	-860	\$14100	\$19350	\$11450
Zinc (cash)	S1797.5	+ 107.5	2788	\$2107.5	\$1497.5
Tin (cash)	\$8315	-560	€4380	\$10760	\$7460
Cocoa Futures (Dec)	£865	-62	£865	£947	£715
Coffee Futures (Nov)	2754	+18	€1030	£1270	£741
Sugar (LDP Raw)	\$340.S	-6.3	\$282	\$363.S	\$235.S
Barley Futures (Nov)	£106.45	-0.65	£104.95	£113.50	2100.95
Wheat Futures (Nov)	£109.S	-1.0	£109.7	£121.65	£104.7
Cotton Outlook A Index	82.15c	-0.85	56.9c	64.95c	\$1.35
Wool (64s Super)	598p		647p	710p	585p
Rubber (Spot)	58p		77.25p	64p	55p
Oil (Brent Blend)	\$16,985	+0.145	\$14.995	\$21.35	\$16.125

SPOT MARKETS		
Crude of (per barrel FOB)		+ or -
Dubei Brent Slond W.T.I. (1 pm est)	\$15.10-5.20w \$16.96-7.03z \$18.95-8.70z	-0.06
Oil products (NWE prompt delivery per k	mne CIF)	+ or -
Premium Gasoline Gas Oil Heavy Fuel Oil Naphtha	\$187-199 \$159-158 \$84-86 \$152-154	- 1
Petroleum Argus Estimates Other		+ or ·
Gold (per troy oz) Silver (per troy oz) Platinum (per troy oz) Patiadium (per troy oz)	\$366.70 525c \$484 \$134.4	+1.50 +6 -6 +0.9
Aluminium (free market) Copper (US Producer) Lead (US Producer) Nickel (free market) Tin (Kuala Lumpur market) Tin (New York) Zinc (US Prime Western)	\$1775 1275-128 39.5c 585c 22.6r 394 624c	+30
Castle (live weight)† Sheep (deed weight)† Pigs (Irve weight)†	115.26p 151,82p 96.73p	-0.37" +3.71" +3.50"
London daily sugar (raw) London daily sugar (white) Tate and Lyle export price	\$48TV	-3.8 +4 -1
Barley (English feed) Maize (US No. 3 yellow) Wheat (US Dark Northern)	£104.75 £130.7 \$ £12 6 t	
Rubber (spot)♥ Rubber (Sep)♥ Rubber (Oct)♥ Rubber (KL RSS No 1 Sep)	Q1.00a	-0.25 -0.50 -0.00
Coconut ofi (Philippines)§ Palm Oii (Maleysian)§ Copra (Philippines)§ Soyabeans (US) Cotton "A" Indext Woollope (6/6 Super) E a torne unless otherwise	£167w 82.15c 598p	-15 -1

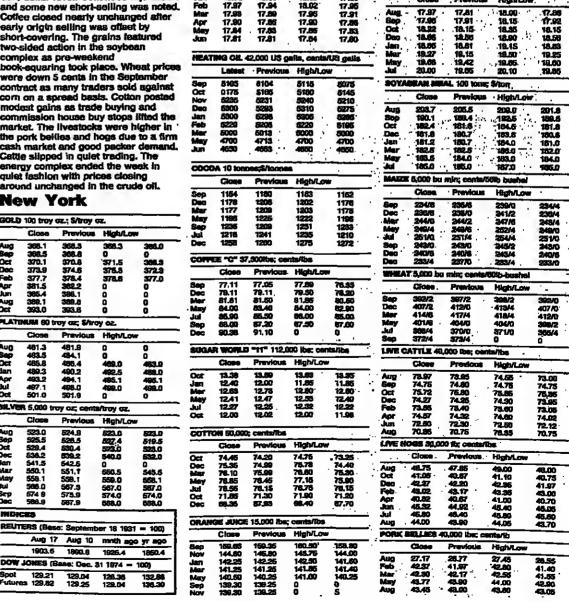
m Argus Estimates	2102-104		ICCO I	ndicator	prices (SDF	s per
		+ or -			1022.03 (10 1062.30 (106	
r troy ozi	\$366.70 525c	+ 1.50	COST	E C/tonne		
er troy oz	S484	+6				
(per troy oz)	\$134.4	+09		Close	Previous	High/L
m (free market)	\$1775	+30	Sep	752	750	758 74
(US Producer)	1275-128		Nov	754	754	764 75
S Producer)	39.5c		Jan	772	772	780 76
ree market)	585c		Mar	789	787	798 78
la Lumpur merket)		-0.3	May	806	812	816 80
r York) i Prime Western)	394 524c		Jul	835	833	838 63
			Turnov	er: 2414 (1017) lots o	d O tone
vs weight)† Jeed weight)†	115.26p 151.82p	-0.37* +3.71*			ices (US c	
a weight)t	96.730	+3.50			laity 65.44	66.38).
dally sugar (raw)	\$340.6v	-3.8	age co.	.15 (89.54)		
daily sugar (white)	\$49TV	+4	SUGAL	(\$ per to	nne)	
Lyle export price		1	Rene	Close	Previous	High/L
English feed) IS No. 3 yellow)	£104.75 £130.7 \$		Oct	298.20	001.00	303.80
IS Dark Northern)	£128t		Dec	290.60	293.00	291,00
			Mar	282.00	263.80	285,00
spot) 🖤	58.00p	-0.25	May	277.00	279.00	280,00
(Sep)♥	60.25p 01.00p	-0.50	Aug	272.00	273.60	276,00
Oct) W KL RSS No 1 Sep)		-0.00	Oct	264.00	267.00	267.00
oti (Philippines)§	\$4702		White	Close	Previous	High/L
(Maleysian)§	\$310x		Öet	404.00	407.00	407.00
hilippines)s	\$300 £167w	-15	Dec	366.00	368.00	
ns (ÚS) A" index	82.15c	-1	Mar	354.00	356.00	358,00
A" Index (64s Super)	5980		May	360.00	353.00	352,50
			Aug	346.00	349.00	346.00
uniese otherwise			Turnov	r: Raw	3713 (2482	lots of
b. r-ringgit/kg. y-Oc				26 (538).		
ug/Sop. v-Sep/Oct.			2340 M	WINUS (FF	r per ton: Aug 2315, (19): Dec
average talstock p						
ago. \$London ph			GAS O	L \$/torine		
m. 🛖 Buillon mari Is/kg.	NOT COUDE.	ты-маюу-		Close	Previous	High/L
			Sep	154.00	154.50	155,00
Off. S/barrel			Oct	152.75	153.00	153.75
Close Previo	us High/	LOW	Nov	152.75	152.25	152.50
		16.82	Dec	162.50 100.50	152.75 100.25	152.50
10.85 10.89		16.73	Jan Feb	148.00	147.25	100,50
16.77 10.79	16.85		Mar	144.00	144.25	147,50
16.76 16.69 16.94 16.00	10.00		Apr	143.00	142.25	
. 4950 (6712)			Turnow	PF 0015 (1	0075)lots of	100 to:

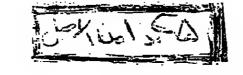
COCO	A E/tonne		
	Close	Previous	
Sep	807	838	832 805
Dec	865	808	8290 825
Mar	840	668	864 838
May Jul	853 868	878 894	873 854
Jui Sep	683	905	890 868 902 879
Dec	905	830	018 900
GCO I price %	ndicator (or Aug 17 r Aug 15	prices (SDR 1022_03 (10 1062_30 (106	of 10 tonnest is per tonne). D 46.11) :10 day a 17.85)
COFFE	E/tonne		
	Close	Previous	High/Low_
Sep	752	750	759 745
Nov	754	754	764 750
Jan	772	772	780 767
Mar	789	787	798 783
May Jul	806 835	812 833	816 805 838 830
HOA!	Close	nne) Previous	High/I ow
			High/Low
Det Dec	298.20 290.60	001.00 293.00	303.80 297.00 291.00 291.60
var Var	282.00	263.80	285.00 280.00
Way	277.00	279.00	280,00 276,40
Aug	272.00	273.60	276.00 273.40
)ct	264.00	267.00	267.00 264.40
l/falle	Close	Previous	High/Low
Öet	404.00	407.00	407,00 401.00
Jec Jec	366.00 354.00	368.00 356.00	160 on one on
Mar May	350.00	353.00	358,00 352,00 362,60 351,00
Aug Aug	346.00	349.00	348.00 347.00
Mhne 6 Paris-	28 (538). While (FF		liots of 00 tons e): Dec 2410, loct 2286.
O ZAG	L \$/torine		_
	Close	Previous	High/Low
Sep	154.00	154.50	155.00 153.79
Det	152.75	153.00	153.75 152.25
Vov	152.75	152.25	152.50 151.50
Dec IBO	162.50	152.75	152,50 151.75
			100 00 100 65
ah .	100.50 148.00	100.25 147.25	100,50 150,50 147 80 147 00
Feb Mar	100.50 148.00 144.00	100:25 147:25 144:25	100,50 150,50 147,50 147,00

resu (s							Hm	io grup	CALL S	800 6
Cash 3 mont	452-4 hs 442-4		448-8-5 439-9.\$	458/445 448/437	457-8 445-6		43-4		10 67	3 lots
	S per ton				1.00			ing tur	mover	
Cash 3 mont	1278 hs 1190	0-70	12700-50 12025-50	12700/125		2				
	er tonne)		242-90	11950/119	UU 110/5-8UC		1900-		5,253	
Cash	8300	-30 2	520-40	8440/8420	8440-50			ing aux	mover 4	130 IL
3 mont		-30 t	650-75	8600/8400	8440-60 8540-50		375-40	X 0	5,665	lots
			per tonne)			=	Ring	turno	ver 10,	550 k
Cesh 3 monti	1010- tes 1750-	-20 1 -1 1	1890-900 1737-8	1945 1770/1725	1948-50 1760-5		745-50		11,99	o Lote
	per tonne						_		over 3.4	
Cash	1795		765-70 1665-70		1800-10 1695-7					
3 mont			665-70	1695/1685	1695-7		685-90		7,243	lots
SPOT:	loeing £/\$ 1.5655		months: 1,548	50	0 months:	1.5304			9 monti	hg: 1.5
POTAT	OSS Erto				LONDON BU		_			
	Close	Previous			Gold (fine oz	S pric	:0		ednika	
Nov Feb	142.0 170.0	140.0 167.0	141.5 139.0		Close Opening	366-3	-357	2	234-234 234-234	2
Apr May	221.0 241.0	210.8	222.0 217.1 241.5 240.0		Morning fix	366.3		2	34.132	2
		(C) lots of			Afternoon lix Day's high	366.25	5 -367 4	2	234.13	
		AL E/tonne			Day's low	3664	366			
	Close	Previous								
Oct	138,00	135.50	138.00		Çokus	\$ prtc	e	2	equiva	alent
Dec Feb	140.00 141.50	137.00 141.00	139.00 137.	00	Maplelesi Bolannia	377-38 377-38			41-244	
	-	licts of 20	tonnes.		US Eagle	377-3	32	. 2	41- 244 41- 244	
		RES \$10/In			Angel Krugerrand	374-37 365-38			39-242	
	Close	Previous	High/Low		New Sov.	864-8	74	5	5-564	
WO.	1435	1430	1428 1422 1502 1490		Old Sov. Noble Plat	489.8	77 % 497.55		5-55 4 12.95-3	17.9
kep Jet	1502 1560	1496 1557	1502 1490 1560 1548							
lan Nor	1603 1625	1595 1624	1603 1587 1625		Silver fix	p/fine	oz		IS cts (VIUP
hu! SFI	1418 1421	1420 1421	1410		Spot	334.70			23.70	
	1421 or 100 (14				3 months 0 months	346.20 357.20			35.40 46.45	
	8 E/tonne	-			12 months	378.25			69.35	
Wheat	Close	Previous	High/Low							
Sep	106.60	107.25		80	TOKDOH MEL		CHAN	OE TH		CPTK
Voiv Jam	109.60 113.00	110.00 113 40	166.85 108.6 109.75 109.6 113.10 113.6	55 30	Aluminium (9:			8715		Puts
Vier Viey	115.50 118.45	116 0g 118.9g	115.55 115.0 116.00 118.4	50	Strike price S	tonne		Nov	Sep	Nov
jin me A	120.25	120.75	110.00 110.4	45	1700 1800		100 33	110 57	8 38	35 81
leriey	Close	Previous	High/Low		1900		6	25	110	147
iep	102.60 106.45	102.55	102.55		Copper (Grad	9 A)		ılıs		uts.
		106.40	106.40 109.45		2700 2800		148 82	15G 109	23 56	100 154
YOV len	109.50	109.45	100.70					73	113	216
Nov Jan Mar		109.45 112.00 114.10	112.60		2900		39	,,		
Nov Jen Mar May Turnove	109.50 112.05 114.15	112.00 114.10 388 12281	112.00 Barton 85 (10)Oj.	2900					
Nov Ien Mar May Turnove	109.50 112.05 114.15 Fr. Wheat Fr lots of	112.00 114.10 368 (228), 100 tonnes	112.60 Barley 85 (10)O).	2900 LONDON FOX	TRAD		PTION		
len dar dar day Turnove	109.50 112.05 114.15 or: Wheat or lots of	112.00 114.10 368 (228), 100 tonnes ement) p/kg	112.60 Barley 85 (10	00j.	2900 LONDON FOX Coffee	TRAD	Nov	Jan	Nov	Jan 41
Nov Ian Mar May Turnove Turnove	109.50 112.05 114.15 or: Wheat or lots of Cash Settle Close 116.2	112.00 114.10 369 (228). 100 tonnes ement) p/kg Previous 116.9	112.00 Barley 85 (10 High/Low 116.2 116.0	201.	2900 LONDON FOX Coffee 700 750	TRAD	Nov 81 52	Jan 113 85	Nov 27 48	41 63
Nov Jen Mar Mary Furnove Furnove PEGS (C	109.50 112.05 114.15 or: Wheat or lots of Close 116.2 120.0	112.00 114.10 369 (228). 100 tonnes ement) p/kg Previous 116.9 120.0	112.60 Barley 85 (10 Barley 85 (10 Barley 85 (10	001.	2900 LONDON FOX Coffee 700 750 800	TRAD	Nov 81 52 31	Jan 113 85 63	Nov 27 48 77	41 63 91
Nov Jen Mar May Furnove Furnove PIQS (C PIQS (C PIQS (C) PIQS (C) PIQS (C)	109.50 112.05 114.15 or: Wheat or lots of Cash Settle Closs 116.2 120.0 120.5 114.5 115.0	112.00 114.10 366 (228). 100 tonnes ament) pris Previous 116.9 120.0 120.0 114.5 115.0	112.00 Barley 85 (10 High/Low 116.2 116.0 120.0	001.	2900 LONDON FOX Coffee 700 750 800 Cocce	_	Nov 81 52 31 Dec	Jan 113 85 63 Mar	Nov 27 48 77 Dec	41 63 91 Mar
Nov Jen Mar Mar Mar Furnove Furnove Aug Oct Nov Apr Jun Jun	109.50 112.05 112.05 or: Wheat ir lots of Closs 116.2 120.0 120.5 114.5 115.0 115.0	112.00 114.10 369 (228). 100 tonnes ement) p/kg Previous 116.9 120.0 120.0 114.5	112.00 Barley 85 (10 High/Low 118.2 118.0 120.0	201.	2900 LONDON FOX Coffee 700 750 800	_	Nov 81 52 31	Jan 113 85 63	Nov 27 48 77	41 63 91

ver 35,525 tonne	
TOI COLORD MINING	Copper price
7.7	decline, fallin
69,455 lots	selling on the
over 8,800 tonne	prices sank k
10,673 lots	iosa selling w
nover 840 tonne	Cocoa was a
ilotar o-a anaiq	Décember co 1200 dollar le
5,253 lots	and some ne
nover 450 tonne	Coffee closed
	early origin s
5,665 lots	short-covering
er 10,850 tonne	two-sided act
43.7.7.7	complex as p
11,992 lots	book-squaring
ver 3,425 tonne	were down 5
7,243 lots	contract as m
7,2-40 1043	modest gains
months: 1.5168	commission t
	market. The I
	the pork belli
	cash market
equivalent	Cattle slipped energy compl
34-234 ¹ 2 34-234 ¹ 2	quiet fashion
34.132	around uncha
34.13	New Y
	IAGAA I
	GOLD 100 troy or
equivalent	Close
41-244	Aug 368.1
41-244	Sep 368.5
41.244	Oct 370.1 Dec 373.9
39-242 31-295	Feb 377.7
33-225 5-56 4 5-56 4 12.95-317.9	Apr 381.5
5-55 1 4	Jun 365.4 Aug 389.1
	Oct 393.0
S cts equiv	PLATINUM 60 tro
o ora odala	Close
73.70	Aug. 481.3
73.70 35.40 16.45	Aug 481.3 Sep 483.5
73.70 35.40 16.45	Aug 481.3 Sep 483.5 Oct 485.8
23.70 35.40 46.45 39.25	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2
23.70 35.40 46.45 39.25	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 487.1
73,70 35,40 45,45 99,35 ADED CFTICKS Puts	Aug 481.3 Sap 483.5 Oct 485.8 Jan 489.3 Apr 483.2 Jul 487.1 Oct 501.0
23.70 35.40 16.45 39.25	Aug 481.3 Sap 483.5 Oct 485.8 Jan 489.3 Apr 483.2 Jul 497.1 Oct 501.0 SSLVER 5,000 tro
73.70 15.40 16.45 19.25 ADED OFTICALS Puts Sep Nov 8 35	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 483.2 Jul 497.1 Oct 501.0
23.70 15.40 16.45 19.25 ADEED CEPTIONS Puts Sep Nov 8 35 36 81	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 483.2 Jul 497.1 Oct 501.0
23.70 35.40 35.45 39.25 ADED OFTIORS Puts Sep Nov 8 35 38 81 110 147	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 497.1 Oct 501.0 Close Aug 523.0 Sep 525.5 Oct 528.4
23.70 35.40 35.45 45.45 39.35 ADED OFTIORS Puts Sep Nov 8 35 38 81 110 147 Puts	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 483.2 Jul 497.1 Oct 501.0 SR.VER 5,000 tro Closes Aug 523.0 Sep 525.5 Oct 529.4 Dec 538.2 Jan 541.5
23.70 35.40 15.45 16.45 19.25 ADEED CEPTIONS Puts Sep Nov 8 35 36 81 110 147 Puts 23 100 56 164	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 497.1 Oct 501.0 Close Aug 523.0 Sep 525.5 Oct 529.4 Dec 534.2 Jan 541.5 Mar 550.1
23.70 35.40 35.45 45.45 39.25 ADEED OFFICES Puts Sep Nov 8 35 38 81 110 147 Puts 23 100	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.1 Oct 501.0 Oct 501.0 Close Aug 233.0 Sep 225.5 Oct 529.4 Occ 530.2 Jan 541.5 May 558.1 May 558.1 May 588.0
Puts Sep Nov 8 35 38 51 110 147 Puts 23 100 56 154	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 497.1 Oct 501.0 SILVER 5,000 tro Close Aug 523.0 Sep 525.5 Oct 529.4 Jan 541.5 Mar 550.1 May 558.1 Jul 506.0 Sep 574.9
23.70 35.40 35.45 45.45 39.25 ADEED CEPTIONS Puts Sep Nov 8 35 38 81 110 147 Puts 23 100 56 154 113 216	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 497.1 Oct 501.0 SILVER 5,000 tro Close Aug 523.0 Sep 525.5 Oct 529.4 Oct 529.4 Jul 586.0 Jul 586.0 Sep 558.1 Jul 586.0 Sep 586.9
23.70 35.40 35.45 45.45 39.25 ADEED CEPTIONS Puts Sep Nov 8 35 38 81 110 147 Puts 23 100 56 154 113 216	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 497.1 Oct 501.0 SSLVER 5,000 tro Close Aug 523.5 Oct 529.4 Occ 536.2 Jan 541.5 Mar 550.1 Jul 566.0 Scp 574.9 Dec 536.9 INDROSS
23.70 15.40 15.45 16.45 19.25 Puts Sep Nov 8 35 38 81 110 147 Puts 23 100 56 164 113 216	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 497.1 Oct 501.0 SSLVER 5,000 tro Close Aug 523.0 Cc 526.5 Oct 529.4 Occ 536.2 Jan 541.5 Mar 550.1 Jul 566.0 Scp 574.9 Dec 536.9 RELITERS (Bese
23.70 35.40 35.40 35.40 35.40 35.40 35.40 35.30 35.30 36.11 37.41 38.21 39.21	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 497.1 Oct 501.0 Close Aug 523.0 Sep 525.5 Oct 528.4 Oct 534.2 Jen 541.5 Mar 350.1 May 558.1 Jul 586.0 Sep 574.9 Dec 584.9 REUTERS (Beac
23.70 35.40 35.40 35.40 35.45 39.25 Puts Sep Nov 8 35 38 81 110 147 Puts 23 100 56 154 113 216 Nov Jan 27 41 48 63 77 91	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 497.1 Oct 501.0 Close Aug 233.0 Sep 235.5 Oct 529.4 Occ 536.2 Jun 541.5 May 558.1 Jul 497.1 May 558.1 Jul 560.0 Sep 574.9 Dec 586.9 RELITERS (Besse Aug 17
23.70 15.40 15.45 15.45 19.25 ADEED OFTIGHS Puts Sep Nov 8 35 38 81 110 147 Puts 23 100 56 154 113 216 Nov Jan 27 41 48 63 77 91 Dec Mar	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 489.3 Apr 489.7 Oct 501.0 Oct 50
23.70 35.40 35.40 35.40 35.45 39.25 Puts Sep Nov 8 35 38 81 110 147 Puts 23 100 56 154 113 216 Nov Jan 27 41 48 63 77 91	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 497.1 Oct 501.0 SILVER 5,000 tro Close Aug 523.0 Sep 525.5 Oct 529.4 Jul 365.0 Jul
23.70 35.40 35.45 35.45 39.25 Puts Sep Nov 8 35 36 81 170 147 Puts 21 100 56 154 113 216 Nov Jan 27 41 48 63 77 91 Doc Mar 20 52	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 489.3 Apr 489.7 Oct 501.0 Oct 50
23.70 15.40 15.45 15.45 15.45 15.45 15.45 15.45 15.45 15.45 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 18.63 18.63 18.77 19.10 18.63	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 497.1 Oct 501.0 SILVER 5,000 tro Close Aug 523.0 Sep 525.5 Oct 529.4 Jul 365.0 Jul
23.70 15.40 15.45 15.45 15.45 15.45 15.45 15.45 15.45 15.45 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 18.63 18.63 18.77 19.10 18.63	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 497.1 Oct 501.0 SILVER 5,000 tro Close Aug 523.0 Sep 525.5 Oct 529.4 Jul 365.0 Jul
23.70 15.40 15.45 15.45 15.45 15.45 15.45 15.45 15.45 15.45 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 17.47 18.63 18.63 18.77 19.10 18.63	Aug 481.3 Sep 483.5 Oct 485.8 Jan 489.3 Apr 493.2 Jul 497.1 Oct 501.0 SILVER 5,000 tro Close Aug 523.0 Sep 525.5 Oct 529.4 Jul 365.0 Jul

	market	8 69 9 W	mevent	NJ CPI	Aug	124.05	126.75	124.70	12L70	. 501/	WILLIAM OF
		little effe			Sep	123.00	126.25	125.30	128.30		Close
8001		el Burnh			Dec	122.90	125.00 122.50	121.50	1:19:50	· · Aug	. 615/6
		s posted				· 65 1757	142.00		118.00	500	584/0
		ng 235 pc			CRUE	E OIL (LI	phó 42,000	US cells S/	burzei	- Nov	. 577/6 . 566/6
				fts, sugar		Latest	Previous	High/Los		Mer	. 090/2
rice	s sank l	late in the	e sessio	n as stop	-					_ May.	606/4
		weakene			Sep	18.73	18.68	18.74 18.43	10.31	Jul	- 509/6 604/0
		gain low			Nov	18.24	18.15	18.25	18.14	. Aug	
		ontract fa			Dec	18.14	16.08	18.15	18.05	- 801)	WEAR OF
				quidation	Jan Feb	18.02	16.00	18.08	17.00		Close
				ras noted.	Mar	17.98	17.20	17.96	17.95 17.91	. Aug.	17.97
		d nearly			Apr	17.90	17.86	17.90	17.86	800	17.96
		selling wa ag. The g			May	17.84	17.83	17.85	17.83	Oct Dec	18.22
		tion in th			Jun	17.81	17.81	17.84	17.80	. Jan.	18.85
		re-week			HEAT	MG ON A	2,000 US ga	the contest	19 celle	- Mer	19.27
				eat prices	10001					May	19.06
ore	down 5	cents in	the Sec	tember		Latest	· Previous	High/Low	<u> </u>	_ <u>Jul</u>	20.00
		nany trad			Sep	5105	8104	5115	5075	BOYA	OLVII HE
		read bas			Oct	0175 6235	\$185 5231	5180 5240	5145 5210		Close
		s as trade			Dec	6300	5293	5310	6275	Aug	208.7
				litted the	Jan	5300	6296	5305 -	5285	200	190.1
		lvestock:			Feb	5220 5000	5205 5013	5220 5000	5195 5000	Oct Dec	182.4
				to a firm	May	4700	4713	4700	4700	Jan	181.8 181.2
				demand.	Jun	4650	4063	4650	4050	. , Mer	182.5
		d in quiet								May	183.6
		lex ende with prid			COCO		ne;\$/tonnee		<u> </u>	• • • • • • • • • • • • • • • • • • • •	5,000 bu
		anged in			-	Ciose	Previous	High/Low			
	w Y	ork			Sep	1154	1180	1183	1162		Close
-		UIR			Mar	1178 1177	1209	1203	1176 1175	Sep	234/6
SLD.	100 trov c	z.; S/troy o	Z.		May	1196	1225	1222	1196	Mer	244/3
	Close	Previous	High/Lon		Sep	1236 1216	1209 1241	1251	1233	May	249/4
	368.1	368.3			Dec	1258	1200	1235 1275	1210	· Jul	251/0
									1272		
			368.3	386.0					1272	Sep Dec	243/0. -240/B
P	368.5 370.1	368.8 370.8	0 371.5	306.3			300lbs; cen		12/2	Dec Dec	
P t	368.5 370.1 373.9	368-8 370-8 374-5	0 371.5 375.8	0 306.3 372.3					12/2	Dec	-24C/B
e t c b	368.5 370.1	368.8 370.8 374.6 378.4 362.2	0 371.5	306.3	COFFE	E "C" 37, Close 77,11	900lbs; can Previous 77.05	ts/lbs High/Low 77.50	78.95	Dec	240/6 233/4 T:5,000 bo
et se se se se se se se se se se se se se	368.5 370.1 373.9 377.7 381.5 365.4	368.8 370.8 374.6 378.4 362.2 386.1	0 371.5 375.8 378.6 0	0 368.3 372.3 377.0 0	Sap Dec	Close 77,11 79,11	900fbs; can Previous 77.05 79.11	ts/lbs High/Low 77.50 79.50	76.35	Dec Dec	240/6 233/4 T-5,000 be Close .
	368.5 370.1 373.9 377.7 381.5 365.4 389.1	368.8 370.8 374.5 378.4 362.2 386.1 389.8	0 371.5 375.8 578.6 0	0 366.3 372.3 377.0 0	Sep Dec	E "C" 37, Close 77,11	900lbs; can Previous 77.05	ts/lbs High/Low 77.50	76.35 76.20 80.50	Dec Dec WHEA	240/8 233/4 7.5,000 bu Crose . 392/2 407/2
ip et ec eb er er	368.5 370.1 373.9 377.7 381.5 365.4 389.1 393.0	368.8 370.8 374.5 378.4 362.2 386.1 369.8 393.6	0 371.5 375.8 378.6 0 0	0 368.3 372.3 377.0 0	Sep Dec Mer May Jul	Close 77,11 79,11 81,81 84,00 86,90	900lbs; cent Previous 77.05 79.11 81.50 83.40 85.50	77.50 79.50 81.85 84.00 86.00	76.35 78.20 80.50 82.90 85.00	Dec Dec WHEA	240/8 233/4 7.5,000 bu Crose . 392/2 407/2 414/6
et ec eb er er	368.5 370.1 373.9 377.7 381.5 365.4 389.1 393.0	368.8 370.8 374.5 378.4 362.2 386.1 388.8 383.8	0 371.5 375.8 378.6 0 0 0	0 306.3 372.9 377.0 0 0	Sep Dec Mer May Jul Sep	Close 77,11 78,11 81,81 84,00 85,90 88,00	900lbs; cent Previous 77.05 79.11 81.50 83.40 85.50 87.20	ts/lbs High/Low 77.80 79.50 81.85 84.00 86.00 87.50	76.35 78.20 80.50 82.90	Dec Dec WHEA	240/8 233/4 T 5,000 bu Crose . 392/2 407/2 414/6 401/6
et se	368.5 370.1 373.9 377.7 381.5 365.4 389.1 393.0 RUMI 60 tn	368.8 370.8 374.5 378.4 362.2 386.1 389.8 393.5 Previous	0 371.5 375.3 378.6 0 0 0 0 0 High/Low	0 308.3 372.3 377.0 0 0	Sep Dec Mer May Jul Sep Dec	Ciose 77.11 78.11 81.81 84.00 88.90 88.00 90.36	500lbs; cent Previous. 77.05 79.11, 81.50 83.40 85.50 87.20 91,10	ts/lbs High/Low 77.89 79.50 81.85 84.90 86.90 87.50	76.85 78.20 80.60 82.90 85.00 87.60 0	Sep Dec MHEA	240/8 233/4 7.5,000 bu Crose . 392/2 407/2 414/6
et se	368.5 370.1 373.9 377.7 381.5 385.4 389.1 393.0 RAM 80 to Close	368.8 370.8 374.6 378.4 362.2 386.1 389.8 393.6 by dec. S/bro Previous	0 371.5 375.8 378.6 0 0 0	0 306.3 372.9 377.0 0 0	Sep Dec Mer May Jul Sep Dec	Ciose 77.11 78.11 81.81 84.00 88.90 88.00 90.36	900lbs; cent Previous 77.05 79.11 81.50 83.40 85.50 87.20	ts/lbs High/Low 77.89 79.50 81.85 84.90 86.90 87.50	76.85 78.20 80.60 82.90 85.00 87.60 0	Dec Dec WHEA Sep Dec Mer May Jul Sep	240/6 253/4 T 5,000 bu Circee . 362/2 407/2 414/6 401/6 368/4
ATIN	368.5 370.1 373.9 377.7 381.5 365.4 389.1 393.0 NAM 60 to Close 481.3 483.5 485.8	368.8 370.8 374.5 378.4 382.2 386.1 389.8 383.8 oy oz; \$/tro Previous 481.9 484.1 486.4	0 371.5 375.8 375.8 0 0 0 0 High/Low 0 469.0	0 388.3 372.2 377.0 0 0 0	Sep Dec Mer May Jul Sep Dec	Ciose 77.11 78.11 81.81 84.00 88.90 88.00 90.36	500lbs; cent Previous. 77.05 79.11, 81.50 83.40 85.50 87.20 91,10	ts/lbs High/Low 77.89 79.50 81.85 84.90 86.90 87.50	76.85 78.20 80.60 82.90 85.00 87.60 0	Dec Dec WHEA Sep Dec Mer May Jul Sep	240/6 233/4 T 5,000 bu Close . 362/2 407/2 414/6 401/6 208/4 372/4
ATTR	368.5 370.1 373.9 377.7 381.5 385.4 389.1 393.0 RUMI 60 to Ciose 481.3 483.5 483.5	368.8 370.8 374.5 378.4 382.2 388.8 383.8 oy oz; \$/tro Previous 481.9 484.1 486.4 480.2	0 371.5 375.8 378.6 0 0 0 0 0 0 High/Low 0 469.0	9 306.3 372.9 377.0 0 0 0 0 463.0 488.0	Sep Dec Mer May Jul Sep Dec	Close 77.11 78.11 81.81 84.00 85.90 88.00 90.36 R WOPLD Close	500hs; cen Previous 77.05 79.11 81.50 53.40 85.50 87.20 91.10 "11" 112.00 Previous	ts/lbs High/Low 77.90 79.50 81.85 84.00 87.50 0 10 lbs: cant High/Low 13.63	76.35 78.20 80.50 82.90 85.00 97.00 0	Sep Dec MHEA Sep Dec Mer May Jul Sep LIVE C	240/6 233/4 T.5,000 bu Cicee . 392/2 407/2 414/6 401/6 308/4 372/4 ATTLE 40, Close
ATIN	368.5 370.1 377.7 381.5 385.4 389.1 393.0 UM 60 tr Close 481.3 483.5 485.8 489.2 487.1	368.8 370.8 374.6 378.4 382.2 386.1 389.8 383.8 oy oz; \$/ro Previous 481.9 484.1 480.2 494.1	0 371.5 375.8 375.8 0 0 0 0 High/Low 0 469.0	0 388.3 372.2 377.0 0 0 0	Sep Dec May Jul Sep Dec SUGAL	Close 77,11 78,11 81,81 84,00 85,90 88,00 90,38 R WORLD Close 13,38 12,40	900lbs; can Pravious 77.05 79.11 81.50 83.40 85.50 91.10 ***********************************	ts/lbs High/Low 77.50 79.50 81.95 84.00 85.00 67.50 0 10 lbs: cent High/Low 11.85	76.35 76.20 80.60 82.90 85.00 87.00 0	Sep Dec Mer Mer May Jul Sep LINE C	240/6 233/4 T 5,000 bu Ciose 362/2 407/2 414/6 401/6 308/4 372/4 KATTLE 40, Close 78.97 74.75
ATTE	368.5 370.1 377.9 377.7 381.5 395.4 389.1 393.0 RAM 80 to Close 481.3 483.5 485.8 489.3 489.3 489.1 501.0	368.8 370.8 374.5 374.5 378.4 382.2 388.1 389.8 383.8 by oz; \$/tro Previous 481.9 484.1 486.4 499.1 901.9	0 371.5 375.8 378.6 0 0 0 0 0 489.0 489.0 489.0 0	0 306.3 372.3 377.0 0 0 0 0 0 483.0 488.0 488.0	Sep Dec Mer May Jul Sep Dec	E "G" \$7. Close 77.11 78.11 78.11 84.00 88.00 90.38 R WOFLD Close 13.38 12.40 12.43	900lbs; cent Previous 77.05 79.11 81.50 83.40 85.50 87.20 91.10 Previous 13.89 12.00 12.78 12.47	ts/lbs High/Low 77.59 79.50 81.95 84.90 86.00 87.50 0 lbs: cent High/Low 13.69 11.85 12.55	76.35 78.20 80.60 85.00 85.00 97.00 0	Dec Dec WHEA	240/8 233/4 T 5,000 bu Gree 392/2 414/6 401/8 308/4 372/4 ATTLE 40, Close 78.97 74.75 75.72
ATTE	368.5 370.1 377.9 377.7 381.5 395.4 389.1 393.0 RAM 80 to Close 481.3 483.5 485.8 489.3 489.3 489.1 501.0	368.8 370.8 374.5 374.5 378.4 382.2 388.1 389.8 383.8 by oz; \$/tro Previous 481.9 484.1 486.4 499.1 901.9	0 371.5 375.8 378.6 0 0 0 0 0 489.0 489.0 489.0 0	0 306.3 372.9 377.0 0 0 0 0 0 483.0 489.0 489.0	Sep Dec Mer May Jul Sep Dec SUGAI Oct Jan Mer Mer Mer Mul	Close 77.11 78.11 81.81 84.00 88.00 90.38 WORLD Close 13.28 12.42 12.53 12.47	500lbs; cent Previous 77.05 79.11 81.50 83.40 85.30 91.10 **11** 112.00 Previous 13.89 12.03 12.73 12.47 12.25	ts/lbs High/Low 77.80 77.80 81.85 84.00 86.00 67.50 0 Ulies: cent High/Low 13.63 12.80 12.85	76.35 76.20 80.50 85.50 85.00 97.00 0 13.35 12.80 72.40 12.20	Des Des Des Des Miller Sep Dec Mer May Jul Sep LIVE G	24076 233/4 T 5,000 bo Close 392/2 414/6 401/6 388/4 372/4 ATTLE 40, Close 78.57 74.75 75.72 74.25
ATTE	368.5 370.1 377.9 377.7 381.5 395.4 389.1 393.0 RAM 80 to Close 481.3 483.5 485.8 489.3 489.3 489.1 501.0	368.8 370.8 374.6 378.4 382.2 386.1 389.8 383.8 oy oz; \$/ro Previous 481.9 484.1 480.2 494.1	0 371.5 375.8 378.6 0 0 0 0 0 489.0 489.0 489.0 0	9 306.5 372.3 377.0 0 0 0 0 0 453.0 488.0 486.1 499.0	Sap Dec Many Jul Sap Dec SUGAI	E "G" \$7. Close 77.11 78.11 78.11 84.00 88.00 90.38 R WOFLD Close 13.38 12.40 12.43	900lbs; cent Previous 77.05 79.11 81.50 83.40 85.50 87.20 91.10 Previous 13.89 12.00 12.78 12.47	ts/lbs High/Low 77.59 79.50 81.95 84.90 86.00 87.50 0 lbs: cent High/Low 13.69 11.85 12.55	76.35 78.20 80.60 85.00 85.00 97.00 0	Dec Dec Mer May Sep LINE C	24076 2331/4 T 5,000 bo Gross 392/2 407/8 401/8 309/4 372/4 ATTILE 40, Gloss 72,57 74,75 75,72 74,27 74,57
ATIN	388.5 370.1 377.7 387.7 388.5 388.5 388.4 389.1 393.0 UMM 80 to Close 483.5 483.5 483.2 497.1 501.0 to Close 501.0 500 to Close 501.0	368.8 370.8 374.5 378.4 362.2 386.1 369.8 393.8 oy oz; Sirro Previous 481.9 481.9 490.2 494.1 490.2 494.1 700.9 9 oz; cents	0 371.5 375.8 378.6 0 0 0 0 0 492.5 492.5 492.5 492.5 492.5 492.5 492.5	9 306.3 372.3 377.0 0 0 0 0 483.0 488.0 496.1 498.0	Sep Dec May Jul Oct	E "C" 37, Close 77,11 78,11 81,91 84,00 85,90 85,90 85,90 85,90 85,90 81,90 12,40 12,63 12,40 12,63 12,40 12,63 12,61 12,27 12,00	500ths; cen Previous. 77.05 79.11 81.50 85.50 97.10 85.50 97.10 112.00 12.75 12.00 12.76 12.00 12.76 12.00	ts/lbs High/Low 77.80 77.80 81.85 84.00 86.00 67.50 0 0 lbs: cant High/Low 13.63 12.80 12.85	76.35 76.20 80.50 85.50 85.00 97.00 0 13.35 12.80 72.40 12.20	Des Des Des Des Miller Sep Dec Mer May Jul Sep LIVE G	24076 233/4 T 5,000 bo Close 392/2 414/6 401/6 388/4 372/4 ATTLE 40, Close 78.57 74.75 75.72 74.25
ATTR	368.5 370.1 373.9 377.7 381.5 365.4 389.1 363.0 UMI 60 tr Close 481.3 483.5 485.8 489.3 497.1 501.0 5,000 trc Close	366.6 370.8 374.6 376.4 376.4 362.2 386.1 389.5 389.5 389.5 389.5 389.5 389.5 389.5 389.5 484.1 485.2 484.1 486.0 501.9 y oc; cents Previous	0 371.5 375.8 375.8 375.8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 306.3 372.9 377.0 0 0 0 0 0 483.0 488.0 488.0 0	Sep Dec May Jul Oct	Ciose 13.8 12.47 12.00 12.63 12.40 12.63 12.40 12.63 12.40 12.63 12.40 12.63 12.40 12.63 12.40 12.63 12.40 12.63 12.40 12.65 12.40 12.40 12.65 12.40 1	500bs; cen Previous. 77.35 79.11 81.50 85.50 91.10 **11** 112.00 **11** 112.00 **12.00 12.73 12.47 12.25 12.02 cents/bs	ta/lbs High/Low 77.50 81.85 84.00 86.00 86.00 10 lbs: cant High/Low 13.63 12.50 12.50 12.50 12.50	76.35 76.20 80.50 85.50 85.00 97.00 0 13.35 12.80 72.40 12.20	Dec	240/6 233/4 T 5,000 bo Grose 392/2 414/6 401/6 372/4 372/4 Grose 78.97 74.75 74.75 74.75 74.97 73.95 74.97
ATIN CONTRACTOR OF THE CONTRACTOR OF T	368.5 379.1 3773.9 377.7 387.5 388.1 388.1 393.0 UMI 80 tn Close 481.3 483.5 485.8 489.2 497.1 501.0 500 trc	368.8 370.8 376.4 376.4 362.2 386.1 369.8 393.8 393.8 393.8 393.8 481.1 486.4 490.1 490.2 501.9 7 oz; cents 501.9 7 oz; cents 524.8 524.8 524.8 526.5	0 371.5 375.8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 306.3 372.9 377.0 0 0 0 0 0 463.0 483.0 498.1 498.0 0 519.5 523.0	Sap Dec May Jul Sep Dec SUGAI Oct Jun May Jul Oct	Ciose Cose Cose Cose Cose Cose Cose Cose C	500tbs; cern Previous 77.05 79.11 81.50 81.50 81.50 91.10 ***********************************	ta/lbs High/Low 77.50 81.85 81.85 81.00 80.00 00 lost cent High/Low 13.83 12.50 12.50 12.50 12.50 12.50 12.50 12.50	76.35 76.25 76.25 52.90 85.00 0 13.35 11.85 12.90 72.40 12.22 11.96	Dec	24076 233/4 T 5,000 bo Glose 392/2 407/2 410/4 398/4 372/4 ATTLE 40 Close 78.97 74.75 75.72 74.75 75.72 74.97 70.86 0088 30.000
ATTE	368.5 379.1 377.3 377.7 387.5 388.1 388.1 393.0 UMI 80 tn Close 481.3 483.5 485.8 480.2 487.1 501.0 525.5 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6	368.8 370.8 374.5 376.4 386.2 386.1 386.8 393.8 393.8 393.8 393.8 481.1 481.4 490.2 490.2 501.9 y oz; cents 501.9 y oz; cents 524.8 535.4 535.5 536.4 536.8	0 371.5 375.8 375.8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 306.3 372.3 377.0 0 0 0 0 0 453.0 458.0 458.0 458.0 523.0 519.5 523.0 632.0	Sep Dec May Jul Oct	Ciose 27.45 75.35 Ciose 77.41 78.11 84.00 85.90 90.38 R WORLD 12.40 12.4	500bs; cen Previous. 77.35 79.11 81.50 85.50 91.10 **11** 112.00 **11** 112.00 **12.00 12.73 12.47 12.25 12.02 cents/bs	ta/lbs High/Low 77.50 81.85 84.00 86.00 86.00 10 lbs: cant High/Low 13.63 12.55 12.20 High/Low 74.75 74.75	76.35 76.20 80.50 85.50 85.00 97.00 0 13.35 12.80 72.40 12.20	Dec	24076 2531/4 77 5,000 bo Gross 392/2 407/2 417/8 388/4 372/4 ATTLE 40. Close 78.97 74.75 74.97 74.
	368.5 370.1 373.9 377.7 381.5 365.4 369.1 369.1 369.1 369.1 369.0 UM 60 tro Close 481.3 483.8 48	388.8 370.8 378.4 388.1 388.1 388.1 388.8 393.8 9 oz; \$hro 481.8 484.1 480.4 490.4 490.9 79 oz; cents 524.9 528.5 539.4 539.2 542.5 551.7	0 371.5 378.8 378.6 0 0 0 0 0 0 499.0 499.0 499.0 499.0 0 499.0 499.0 0 0 499.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 306.3 372.9 377.0 0 0 0 0 463.0 488.0 488.0 488.0 0 519.5 523.0 519.5 523.0 532.0	Sep Dec Mer May Jul Sep Dec SUGAL Sup Jul Oct Correct Oct Oct Oct Oct Oct Oct Oct Oct Oct O	E "C" \$7, Close 77,111 81,611 81,61 84,00 85,90 90,38 R WOFLD Close 12,65 12,65 12,67 12,6	500tbs; cern Previous 77.35 79.11 81.50 91.10 *11* 112.00 Previous 13.59 12.07 12.02 cerns/fbs Previous 74.20 74.20 74.20 74.20	ts/lbs High/Low 77.89 79.50 91.85 84.00 85.00 95.00 0 lbs: cent High/Low 13.83 11.85 12.50 12.50 12.75 12.75 74.75 76.78	76.35 76.20 80.50 80.50 80.50 80.50 80.50 11.85 11.85 12.85 72.40 74.40 75.20	Dec	24076 233/4 T 5,000 bo Glose 392/2 407/2 410/4 398/4 372/4 ATTLE 40 Close 78.97 74.75 75.72 74.75 75.72 74.97 70.86 0088 30.000
	368.5 379.1 377.3 377.7 387.5 388.1 388.1 393.0 UMI 80 tn Close 481.3 483.5 485.8 480.2 487.1 501.0 525.5 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6 528.6	368.8 370.8 374.5 376.4 386.2 386.1 386.8 393.8 393.8 393.8 393.8 481.1 481.4 490.2 490.2 501.9 y oz; cents 501.9 y oz; cents 524.8 535.4 535.5 536.4 536.8	0 371.5 375.8 375.8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	9 306.3 372.3 377.0 0 0 0 0 453.0 488.0 496.1 498.0 0 523.0 519.5 523.0 0 545.5 552.1	Sep Dec Mary Jul Sep Dec SUGAI SUGAI Oct Jan Mey Jul Oct COTTO	E "C" 37, Close 77,111 78,111 81,81 84,90 86,90 90,38 R WOWLD 12,63 12,41 12,27 12,41 12,27 12,41 12,53 12,41 12,53 12,41 12,53 12,41 12,53 12,41 12,53 12,41 12,53 12,41 12,53 12,41 12,53 12,45 12,6	500tbs; cent Previous. 77.255 79.11 81.50 91.10 85.50 91.10 "11" 112.00 12.00 12.00 12.07 12.47 12.47 12.42 12.45 12.47 12.02 cents/fibs 74.20 74.59 76.99 76.99	ter/lbs High/Low 77.89 79.50 81.85 84.00 85.00 0 0 lbs: care High/Low 13.69 12.50 12.50 12.50 12.50 12.50 77.16	78.35 78.20 30.50 30.50 30.50 35.00 0 0 13.35 11.85 11.85 12.60 72.40 72.40 73.25 74.40 74.40 75.36	Dec Dec Dec Mer May Jul Sep Dec Mer May Jul Sep LIVE C Dec Feb Apr Jun Aug CAVE St Dec	24076 2331/4 T 5,000 bo Gross 392/2 407/8 401/8 388/4 372/4 ATTLE 40, Close 78.97 74.75 75.72 74.27 73.95 OGB 30,00 Close 48.75 41.95 41.95 41.95 42.27
Participation of the control of the	368.5 379.1 377.9 377.7 387.7 385.4 389.1 393.0 UMM 60 tr Close 483.5 485.8 489.3 489.1 501.0 5.030 trc Close 523.0 525.4 530.1 550.1 550.1 550.1 550.1 550.1 550.1 550.1	368.8 370.8 378.4 378.4 378.5 388.1 388.1 389.8 389.8 389.8 389.8 481.9 484.1 489.4 494.1 489.0 501.9 70 cents 70 cents 524.9 539.8 539	0 371.5 378.8 378.6 0 0 0 0 0 0 499.0 499.0 499.0 499.0 0 499.0 499.0 0 0 499.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 306.3 372.9 377.0 0 0 0 0 463.0 488.0 488.0 488.0 0 519.5 523.0 519.5 523.0 532.0	Sep Dec Mer May Jul Oct Corroll Corrol	E "C" 37, Close 77,111 81,81 84,00 86,90 90,38 12,40 12,63 12,41 12,27 12,44 578,35 78,85 78,85 78,85 78,85 78,85 78,85	500tbs; cern Previous 77.35 79.11 81.50 91.10 *11* 112.00 Previous 13.59 12.07 12.02 cerns/fbs Previous 74.20 74.20 74.20 74.20	ts/lbs High/Low 77.89 79.50 91.85 84.00 85.00 95.00 0 lbs: cent High/Low 13.83 11.85 12.50 12.50 12.75 12.75 74.75 76.78	76.35 76.20 80.50 80.50 80.50 80.50 80.50 11.85 11.85 12.85 72.40 74.40 75.20	Dec Dec Dec MHEA	240/6 233/4 T 5,000 bo Gross 362/2 407/2 417/2 417/2 417/2 417/2 74,75 75,72 74,75 75,72 77,75 70,35 70,35 0082 30,00 Closs 42,17 43,02
Pot ATTI	398.5 379.1 3773.9 3773.9 3777.7 385.4 388.1 398.1 398.0 RMM 60 trd Closes 481.3 481.3 481.3 481.3 481.3 501.0 5.000 trd Closes 523.0 523.0 523.4 536.2 536.0 556.1 586.0 574.6 586.9	388.8 370.8 378.4 378.4 388.2 388.8 393.8 393.8 393.8 481.8 480.4 490.4 490.4 490.9 501.9 7 oz. cents 524.9 526.5 530.4 530.2 542.5 551.1 558.1	0 371.5 378.8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 386.3 377.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Sep Dec Mary Jul Sep Dec SUGAI SUGAI Oct Jan Mey Jul Oct COTTO	E "C" 37, Close 77,111 78,111 81,81 84,90 86,90 90,38 R WOWLD 12,63 12,41 12,27 12,41 12,27 12,41 12,53 12,41 12,53 12,41 12,53 12,41 12,53 12,41 12,53 12,41 12,53 12,41 12,53 12,41 12,53 12,45 12,6	500/bs; cern Previous 77.05 79.11 81.50 91.10 *11* 112.00 91.10 Previous 13.50 12.07 12.07 12.07 12.07 12.07 12.07 12.07 12.07 12.02 cerns/fbs	taribs High/Low 77.80 79.50 81.85 84.00 86.00 0 0 lo lost cant High/Low 13.83 11.85 12.50 12.50 12.52 12.00 High/Low 74.75 76.78 76.80 77.16	78.35 78.20 82.90 85.00 0 15.35 11.85 12.80 72.40 11.96	Dec Dec Dec Mer May Jul Sep Dec Mer May Jul Sep LIVE C Dec Feb Apr Jun Aug CAVE St Dec	24076 23314 T 5,000 bo Crose 362/2 407/2 417/2 417/2 417/2 417/2 417/2 417/2 74.75 75.72 74.75 75.72 77.355 76.72 77.355 76.72 70.35 OGB 30,00 Close 41.05 42.27 43.02 40.52 44.32 40.52
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Part Control of the C	398.5 379.1 3773.9 3777.7 3777.7 377.7 385.4 388.1 393.0 RAM 80 to Close 481.3 483.5 485.8 489.3 489.2 487.1 501.0 5,000 tre Close 523.0 523.4	368.8 370.8 378.4 378.4 378.5 388.1 388.1 389.8 389.8 389.8 389.8 481.9 484.1 489.4 494.1 489.0 501.9 70 cents 70 cents 524.9 539.8 539	0 371.5 375.8 375.8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	9 306.3 372.3 377.0 0 0 0 0 0 0 483.0 488.0 488.1 499.0 0 549.5 523.0 532.0 532.0 532.0 545.5 557.0 574.0 688.0	Sep Dec Mary Jul Sep Dec SUGAL	E "C" \$7. Close 77.11 79.11 81.81 84.00 85.90 88.00 90.38 R WOFLD Close 12.63	500/bs; cern Previous 77.35 79.11 81.50 83.40 85.50 91.10 **11** 112.00 12.00 12.00 12.07 12.47 12.27 12.47 12.20 cerns/bs Previous 74.20 74.59 76.45 71.30 57.33	ts/lbs High/Low 77.59 79.50 91.85 84.00 95.00 95.00 10 lbs: cent High/Low 13.83 11.85 12.50 12.50 12.52 12.00 High/Low 74.75 76.76 77.190 98.40 cents/fbs	78.35 78.20 30.50 30.50 30.50 30.50 0 0 13.35 11.85 11.85 11.85 12.20 73.25 74.40 76.30 76.15 76.20 76.10	Dec Dec Mer May Jul Sep LIVE 6 Sep Cot Dec Feb Apr Jun Aug City Ed Apr Jun Aug	24076 2331/4 T 5,000 bo Gross 392/2 407/2 414/6 388/4 372/4 ATTLE 40. Close 78.97 74.57 75.72 74.57 74.57 72.56 0083 30,00 Close 42.75 41.02 45.80 46.80
Part Control of the C	368.5 379.1 377.3 377.7 377.7 377.7 365.4 368.1 393.0 UMI 60 to Close 481.3 483.2 487.1 501.0 501.0 525.5 501.0 525.5 536.2 541.5 558.1 558.0 574 9 574 9 578.9 578.9	368.8 370.8 374.5 374.5 374.5 374.5 374.5 374.5 386.1 368.2 386.1 368.3 393.5 393.5 481.1 481.4 480.2 481.1 489.4 490.2 490.2 501.9 Previous 224.9 536.5 551.7 552.5 551.7 567.5 557.9 567.9 575.9 575.9	0 371.5 375.8 375.8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	9 366.3 372.9 377.0 0 0 0 0 0 483.0 488.0 488.0 488.0 0 523.0 523	COPPE Sep Dec Many Jul Sep Dec SUGAN Oct	E "C" \$7. Close 77.11 79.11 81.81 81.81 84.00 85.90 88.00 90.38 R WOFLD Close 13.38 12.40 12.63 12.41 12.27 12.00 M 50.000; 74.45 75.35 76.55 76.55 78.55 78.55 78.55 78.55 78.55 78.55	500tbs; cern Previous Previous 77.05 79.11 81.50 81.50 91.10 **11** 112.00 Previous 13.59 12.07 12.07 12.27 12.27 12.26 12.02 cerns/fbs Previous 74.20 74.59 76.15 71.30 87.85	ter/lbs High/Low 77.59 79.50 \$1.85 \$4.60 \$6.00 \$6.00 \$0 lbs: cant High/Low 13.85 11.85 11.25 12.50 12.55 12.50 12.55 76.76 77.16 76.76 76.76 76.76 77.16 68.40 cernts/fbs High/Low	76.35 76.20 30.50 30.50 30.50 0 0 13.35 11.85 11.85 11.85 72.40 11.98 71.25 74.40 75.90 76.15 77.20 97.70	Dec Dec Mer May Jul Sep LIVE 6 Sep Cot Dec Feb Apr Jun Aug City Ed Apr Jun Aug	240/6 233/4 T 5,000 bo Gross 392/2 407/2 414/6 401/8 385/4 ATTLE 40, Gross 74.77 74.75 74.77 74.75 74.57 74.55 76.12 74.50 GGS 35,00 GGS 35,00 GGS 35,00 GGS 41,05 41,
	368.5 379.1 3773.9 377.7 387.5 365.4 388.1 393.0 UMI 60 tn Close 481.3 483.5 485.8 489.2 487.1 501.0 525.5 501.0 525.5 529.4 536.2 541.5 558.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 576.0 5	388.8 370.8 378.4 378.4 388.2 388.8 393.8 393.8 393.8 393.8 393.8 481.9 484.1 498.4 498.4 498.4 498.4 498.4 598.9 591.9 7 oz. cents 524.9 526.5 530.4 539.2 542.5 557.9 577.9 577.9 577.9	0 371.5 378.8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 386.3 372.9 377.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Sep Dec Mary Jul Sep Dec SUGAL SUGAL COST Mar May Jul Oct Cost Mar May Jul Oct Cost Cost Mar May Jul Oct Cost Sep May May Sep Nov	E "C" \$7. Close 77.11 79.11 81.81 84.00 85.90 88.00 90.38 R WOFLD Close 12.40 12.63 12.41 12.63 12.47 12.00 MI SU,000; Glose 74.45 75.35 71.85 56.35 MI JUNE CLOSE 189.55 71.85 189.58 189.58 144.60	500/bs; cern Previous Previous 77.35 79.11 81.50 83.40 85.50 91.10 "11" 112.00 12.07 12.07 12.07 12.47 12.27 12.47 12.26 cerns/fbs Previous 74.20 74.59 76.15 71.30 57.83 15.000 /// Previous 159.35 146.50	taribs High/Low 77.50 91.85 91	78.35 78.20 80.50 80.50 80.50 80.50 80.50 11.85 11.85 12.85 72.40 72.40 73.25 74.40 67.70	Dec Dec Dec Mer May July Sep LINTE C Dec Dec Peb Apr Jun Aug Crite Sep Oct Dec	24076 233/4 T 5,000 bo Crose 362/2 407/2 414/6 4016 358/4 471LE 40, Close 78,57 74,75 75,75 74,27 73,55 74,27 73,55 74,27 73,55 74,27 73,55 74,27 73,55 14,07 43,02 40,82 40,82 40,82 40,82 40,83 60,8
	368.5 379.1 3773.9 377.7 387.5 365.4 388.1 393.0 UMI 60 tn Close 481.3 483.5 485.8 489.2 487.1 501.0 525.5 501.0 525.5 529.4 536.2 541.5 558.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 586.0 574.9 576.0 5	368.8 370.8 374.5 374.5 374.5 374.5 374.5 386.1 386.5 389.5 393.5	0 371.5 378.8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 386.3 372.9 377.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Sap Dec Mer May Jul Sap Dec SticiAl Sap Dec SticiAl Sap Dec Oct Oct Oct Oct Oct Oct Oct Oct Oct Oc	E "C" 37, Close 77,111 78,111 84,00 85,90 90,38 R WOFLD 12,40 12,63 12,41 12,27 12,00 Close 74,45 75,35 76,10 76,85 76,8	500/bs; cent Previous 77.05 79.11 81.50 81.50 81.50 81.50 91.10 ***********************************	ts/lbs High/Low 77.89 78.50 88.00 88.00 88.00 10 lbs: cant High/Low 13.83 12.80 12.80 12.80 12.80 12.75 12.80 12.75 12.80 12.80 12.75 12.80 High/Low 18.83 12.80 1	76.35 76.25 76.25 80.50 82.90 857.00 0 13.35 11.85 12.80 72.40 12.22 11.98 76.30 76.15 77.40 76.30 76.15 77.70	Dec Dec Dec Mer May July Sep LINTE C Dec	24076 233/4 T 5,000 bo 362/2 477/2 417/2 4
to the state of th	398.5 379.1 377.3 377.7 387.5 385.4 388.1 393.0 HMM 60 tr Close 481.5 483.5 483.2 487.1 501.0 5,000 tr Close 523.0 523.0 525.0 525.5 525.5 528.4 538.2 541.5 538.0 574.9 588.9 FF 198.9 FF 198.9	368.6 370.8 374.6 378.4 378.4 386.1 386.1 389.8 389.8 393.8 393.8 393.8 393.8 481.9 484.1 486.2 494.1 496.2 494.1 496.2 494.1 496.2 494.1 524.9 524.9 526.5 530.4 530.4 530.4 530.2 530.4 530.8	0 371.5 378.8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 386.3 372.9 377.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Sep Dec Mary Jul Sep Dec StOCAL Support May Jul Oct	E "C" \$7. Close 77.11 79.11 81.81 84.00 85.90 88.00 90.38 R WOFLD Close 12.40 12.63 12.41 12.63 12.47 12.00 MI SU,000; Glose 74.45 75.35 71.85 56.35 MI JUNE CLOSE 189.55 71.85 189.58 189.58 144.60	500lbs; cern Previous 77.05 79.11 81.50 81.40 85.30 91.10 **IT** 112.00 Previous 13.59 12.47 12.25 12.02 cents/fbs Provious 74.29 74.29 75.98 15.000 fbs; Frevious 150.35 140.25 140.25	taribs High/Low 77.50 91.85 91	78.35 78.20 80.50 80.50 80.50 80.50 80.50 11.85 11.85 12.85 72.40 72.40 73.25 74.40 67.70	Dec Dec Mer May Jul Sep Oct Dec Feb Apr Jun Aug Ciffe Sep Apr Jun Aug Feb Mar	24076 23374 T 5,000 bo T 5,000 bo Grose 36272 47772 41776 4018 35274 ATTLE 40 Close 78,97 74,75 75,72 74,75 75,72 774,75 76,75 70,35 OGE 30,00 Close 48,75 48,75 48,80 4
OW .	398.5 379.1 3773.9 3773.9 3773.9 3773.9 3773.9 3773.9 3773.9 3773.9 3773.9 388.1 398.1 398.1 398.0 UMI 60 tn Close 481.3 483.5 485.8 489.3 489.3 489.3 489.1 550.0 525.5 550.1 558.9 528.1 558.1	368.8 370.8 378.4 378.4 388.2 388.1 388.8 393.8 393.8 393.8 393.8 481.9 481.9 484.1 498.4 498.4 498.4 498.4 498.1 591.9 702; cents 524.9 526.5 530.4 530.2 542.5 551.7 558.1 558.7 575.9 575.9 575.9 575.9 575.9 575.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9 576.9	0 371.5 378.8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 386.3 372.9 377.0 0 0 0 0 0 0 463.0 488.0 488.0 488.0 519.5 523.0 532.0 0 0 545.5 552.0 0 0 545.5 558.0 558	Sap Dec Mer May Jul Sap Dec SticiAl Sap Dec SticiAl Sap Dec Oct Oct Oct Oct Oct Oct Oct Oct Oct Oc	E "C" \$7, Close 77,111 79,111 51,611	500tbs; cern Previous Previous 77.05 79.11 81.50 81.50 91.10 **11** 112.00 **11** 112.00 **12.07 12.07 12.07 12.07 12.07 12.07 12.07 74.99 76.45 71.30 \$7.85 76.15 71.30 \$7.85 76.15 71.30 \$7.85 76.45 71.30 \$7.85 76.45 71.30 \$7.85 76.45 71.30 \$7.85 76.45	High/Low 77.80 81.85 84.00 86.00 0 0 lost cant High/Low 13.83 11.85 12.50 12.50 12.50 12.50 12.50 74.75 76.78 76.78 76.80 77.19 96.40 148.75 148.75 148.75	78.35 78.20 82.90 85.00 0 15.95 11.85 11.85 12.80 72.40 11.96 73.25 74.40 75.95 76.15 71.20 67.70	Dec Dec Dec Mer May July Sep LINTE C Dec	24076 233/4 T 5,000 bo 362/2 477/2 417/2 4





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FOREIGN EXCHANGES

CURRENCIES, MONEY AND CAPITAL MARKETS

Dollar loses momentum

THE DOLLAR relinquished some of the gains made earlier in the week as investors lacking any fresh incentive decided to take some profits. US con-sumer prices in July rose by 0.2 per cent, in line with expectations, but the market was already long on dollars after the release on Thursday of bet-ter than expected US trade

data for June. The US unit failed to make any convincing attempt to break through resistance at DM19700, and the lack of any follow through buying prompted investors to take profits. Traders are now unsure as to whether the dol-lar will renew its bullish trend at the start of next week.

The dollar closed at
DM1.9555 from DM1.9685 on Thursday and Y142.75 com-

E IN NEW YORK

STERLING INDEX

CURRENCY RATES

CURRENCY MOVEMENTS

OTHER CURRENCIES

NEW YORK

Avg.18

诌

134

13%

12 17h 24h 4 0 10 3 9 13 17 19 22

6 9½ 10 3½ 7 8 1½ 5½ 8 10 11 13

62 75 18 25 10 42 98 11 37 40

Bank rate %

Previous Clase

Agg.18 Previous

pared with Y143.85. Elsewhere, it finished at SFr1.6860 from SFr1.6970 and FFr6.5950 from FFr6.6475. On Bank of England figures, the dollar's exchange rate index fell to 71.4 from 71.8. Sterling improved at the dol-

lar's expense but finished with lar's expense but finished with marginal losses against its European trading partners. Inflation in the UK, as measured by the retail price index, showed a year-on-year increase of 8.2 per cent in the year up to July, down from 8.3 per cent in June. At the same time. clear-June. At the same time, clear-ing bank lending rose by £2bn in July compared with £1.9bn in June. The figure was well down from the sverage monthly rise of £3.2bn over the previous six months however.

muted. Investors remain con vinced that rates are likely to stay high until the end of the year. Some suggestions that the authorities may consider a reduction in rates to coincide with an early general election are viewed somewhere between speculation and disbe-

The pound's exchange rate index closed at 91.0, unchanged from Thursday's close. Against the dollar, sterling rose to \$1.5655 from \$1.5585 but fin-ished slightly lower in D-Mark terms at DM3.0625 from against the yen at Y223.50 from Y224.25. Elsewhere, it closed at

DM3.0675. It was also lower SFr2.6400 from SFr2.6450 and FFr10.3250 from FFr10.3600. The French franc rose to its

The overall impact of this latest UK data appeared to be against the D-Mark,

<u> </u>	AR SPC	71- PC	JNWA	NV A	UAII				
Aug.18	Day's spread	_	Close		wooth	P.4	Three	- 1	D.E.
UKt	1.5580 - 1.56 1.3590 - 1.36	B 156	50 - 1.566 525 - 1.363 765 - 1.179 135 - 2.204 190 - 41.00	0.62-0	.5 9сэн .07сэн	4.64 0.84 -3.31 1.68 0.66	1.77-1 0.42-0. 0.91-0. 0.93-0. 7.00-4. 0.70-1. 0.95-0.	73pm .	4.4
retandt	13590 · 136 11765 · 118	5 1.3	25 1763	0.12-	1.07cpm	0.84	0.42-0.	33mm	1.0
Netherlands .	22020 - 221	20 1 25	8. 220		7.3400H2	-526	0.91-0	29001S	10
Belghan	40.85.4)	40	90-41.00	3.00	50com	0.66	7.00-4	50cm	0.5
Denmark	7.594 - 7.63		012-7.61		2.34cdis 3.30cpm .50cpm 25oredis		0.70-1.	10dis	-0.4
W. Germany	1,9540 - 1,96	65 19	550 - 1.956			1.93 4.22 -5.59 -3.12	0.95-0.	92pm	19
POP 194524	163.45 - 163. 122.05 - 122	30 J 163	45 - 163 <i>9</i> 15 - 122 2	?) <u> </u>	-65cdis -62cdis 90litedis Doredis	4.22	200-2 160-1 11.30-12	40dis	-5.3 -5.4
Spale Italy	147215 - 122	2 1 122	34 14044	1 1 40 2	-620015 0011-40-	-2.57	1, 100-1	燃	31
Nonety	7.13 - 7.16	h 71	3h - 7 14	1,000	Anedk	1.81	4 104	ANK	.23
France	6,59% - 6.64 6.61% - 6.65 142.50 - 143.	6.6	31 7.14 94 6.591	0.95-1 138-1 0.46-4 2.50-2.0	0.05cdis	-0.05	0.05-0	20ds	-0.0 2.7
Sweden	6.61% - 6.65	6.6	24-6.63	1_38-1_	3oredis	-2.63 3.78	4.50-4.	75dis :	-2.7
Japan	142.50 - 143.	50 142	70 - 147 N	0.46-4	44ypm	3.76	1.28-1	25pm	15
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Long term Eurodollars: two years 8(1-8)) per cent; three years 9-8% per cent; four years 9-8% per cent; five years 9-8% per cent; some fave cents for US Dollars and Jacobses Ven; others, bun dave notice.

co 3951.50 - 3971.50 2500.00 - 2510.00 zsland 2,6635 - 2,6695				CRA	NGE	CHU	199 1	MIE	3		
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sering race	DEN	0.326 4.474	0.511 7.007	1 13.70	72 97 1000.	3.373 46.22	0.862 11.81	1.126	717.6 9834	0.603 8.260	20.59 286.4
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Re 1.5653 1.5995 1.5480 1.5320 1.5075 2 3.0625 3.0457 3.0130 2.9706 2.8991 Fr. 10.325 10.285 10.211 10.110 9.952	C 5 8 Fr.	0.542 1.563	0.848 2.447	1.659 4.786	121.1 349.2	5.5% 16.14	1.430 4.125	1.869 5.391	1191 3434	2.884	34.67 100.
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FT LONDON INTERBANK FIXING (11,00 a.m. Aug 18) 5 months US dollars The fixing rates are the artifemetic means remaded to the nearest one-shatemh, of the bid and offered rates for \$1.00 a.m. each working day. The banks are Matlemai Westmisster Bank, Bank of Tolyo, Destothe Bank, Bank of Tolyo, Destothe Bank, Bank of Tolyo, Destothe Bank, Bank of Tolyo,

MONEY RATES

LONDON MONEY RATES

13%

13#

Treasury Bills (sell): one-month 1318 per cent; three months 13-5 per cent; Bank Bills (sell): one-month 13-6 per cent; three months 13-6 per cent; Bank Bills (sell): one-month 13-6 per cent; three months 13-6 per cent; Treasury Bills; Average tender rate of discount 13-30-94 p.c. ECLID Flood Rate Serving Export Finance. Make un day July 33. 1969. Agende asses for period August 13-1969. Scheme 1-1-4-60 p.c. Schemes 13-6 per cent; 13-23 p.c. Reference rate for period July 1 to July 31. 1999. Scheme 17-4-60 p.c. Schemes 10-4-6 period July 1 to July 31. 1999. Scheme 17-6-7 period July 1 to July 31. 1999. Scheme 17-6

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Treasury Bills and Bonds

6.85-7.00 813-914

134 134

7.00 8.75 .

One Year

MONEY MARKETS No move on data

UK INTEREST rates took little notice of a small decline in the annual rate of UK inflation. Underlying sentiment still points towards the next move rates as being downwards, but investors are aware that the authorities will want to see further evidence of a slowing economy and falling inflation before allowing rates to fall. Three-month interbank money was unchanged at 131-131/4 per

The Bank of England fore-cast a shortage of around

UK clearing hank base leading rate 14 per cont trom May 24

£750m. Factors affecting the market included bills maturing in official hands and a take-up of Treasury bills, together with repayment of any late assistance draining £432m. There was also a rise in the note circulation of £445m. These were partly offset by Exchequer transactions which added £140m and banks' balances brought forward a nominal £10m above target.

The forecast was revised to a shortage of around £800m, and the Bank gave assistance in the morning of £363m through outright purchases of £27m of Treasury bills and £336m of eligible bank bills, all in hand 1 at 13% per cent. Further help in the afternoon came to £349m through bank bills purchases at 13%. Late help came to £55m, making a total of £767m.

LONDON MARKETS

EQU	ITIE		LON	DC	N RECENT	153	50	E5			
Issue Price	Park Park	Lairst Braner Care	198 High	lor	Stack	Clasing Price	+ ar	Ret. Dire.	Tienes Cay'd	Gross Yleid	P.E. Ratio
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	FIXED INTEREST STOCKS											
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100p 100p	F.P.	26/7	104p	97p 105e	Nartwell 7%p (Net) Cv.Pf. £1 Hunting Gibson 8 k pc Cv. Pf.	97p 117p	-1					
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-	F.P.	: 1	100 105	9911	Nationwide Anglia 13 Apr. Bds. 13/8/90	105	-					
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cover based Forecast, or Prospectus of 1990-91.1. On Prospect extimates fro difficial esti- latroduction	on divident estimated protheroff Estimated; us or othe pr 1989-90 mates. W	i on full ca ammalised leaf estima ammalised r official), Q Gress. Pro Forma orice.tt R	pital.g As; i dividend r; tes for 198 dividend, c; estimates R Forecas; figures.#1 eintroducti	umed divided to the control of the c	estimates of Dividend rate paid or payable dend and yield exclude based on previous year's earnings. It Dividend and yield exclude based on previous year's earnings. It Dividend end and yield based on propectus or other of le based on latest annual earnings, M. Dividen M. Oivferd and yield based on prospectus of dividend, cover and pile taste of or prospectus excluded. Of the dividend cover and pile ratio based on previously and the content of the content of the dividend of the cover and pile ratio based on previously and the content of the cover and pile ratio based on propectus and in connections with recognision merital London [Island] in Italiand [Island] of the cover and the	on part of a special pay- and yield h fical estima or other respectus o es as a "ri- oer or tal-	ment. o ased or des for d based official r other gbts". 1

TRAC	HON	AL OPTIONS
First Dealings Last Dealings Last Declarations Last Declarations For settlement For rate indications see London Share Service	Aug 7 Aug 18 Nov 9 Nov 20 end of	Calls in Owners Abroad, Midland & Scot, Tallow, NatWest Bank, Aberdeen Pet, Citygete, Morgan Grenfell, Aliled Rest, Lowndes Queens, ML Labs, Ferranti, Put Barratt Dev.

DIVIE	DIVIDENDS ANNOUNCED												
	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year								
Australia Trustint	0.311	-	0.25	-	3,65								
Baktwinint	1.15	Nov 1	1	-	3.15								
Clarke (1)	1.163		0.938	-	5								
S'hamptom IOWint	3	Sept 29	2*	-4	8								
TakereInt		Oct 2 .	-	-									
Usher (Frank) §fin	4	•	4	6	老大								
Ward Holdingsint	0.5	Oct 10	0.5	-	2.6								
Young Group §int	2.6	Oct 12	•	•	3.25								

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. *On capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. *Third market. *For 16 months. ‡For 9 months in 15-month period. *Final of 7p forecast. *For 18 months.

The Financial Times proposes to publish the following surveys in 1989:

23 August : Zimbabwe 28 September : Botswana 4 October : Lesotho 24 October : Zambia

If you require further details of these please contact

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Tx. 885033 FINTIM G TELEFAX Tel: 01-873-3079

FINANCIAL TIMES

RURAL DEVELOPMENT

The Financial Times proposes to publish this survey on:

22 SEPTEMBER 1989

For a full editorial synopsis and advertisement details, please contact:

> **ALISON BARNARD** on 01-873 4148

or write to her at:

Number One Southwark Bridge London SEI 9HL

FINANCIAL TIMES

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WORLD STOCK MARKETS

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WORLD STOCK MARKETS

Dow recoups lost ground after CPI report

Wall Street

AFTER some disappointment over the July consumer prices report, equity and bond prices on Wall Street recouped their morning losses and drifted without direction into tha early afternoon, writes Anutole Kaletsky in New York. By 1.30 pm the Dow Jones Industrial Average was at 2,681.15, 1.52 points above its overnight level, and other important stock indices were

also virtually unchanged. Advancing and declining issues were almost exactly matched on the New York Trading was slow, with only 89m shares changing hands on the Big Board by lunchtime, in spite of the approach of the

EUROPE

double witching hour" as August futures on the Major Market Index and options on the Standard & Poor's 100, two instruments heavily used by computerised programme traders, were both due to expire at

the close of trading yesterday.

Both equity and bond prices
were down significantly when
Wall Street opened, as fixedinterest investors reacted bearishly to the 0.2 per cent rise in the consumer price index announced by the Lahor Department. The rise in the total CPI was exactly in line with market expectations, but the composition was somewhat disappointing. Excluding food and energy, the CPI rose 0.4 per cent in July, compared with expectations of 0.2 or 0.3 per cent. The index excluding

food and energy suggested that

core inflation in the US econ-omy was still running at about 41/4 to 5 per cent.

But after drifting down as much as half a point, bond prices recovered around lunch-time as traders argued that the market had become oversold. By 1 pm the Treasury's long bond was up h at 99%, a price at which it yielded 8.15 per cent. Federal Funds were almost motionless at 8% per cent throughout the morning. The Federal Reserve executed The Federal Reserve executed four-day matched sales, in line with market expectations.

In the equity market, most blue chips remained virtually unchanged. McDonald's and Citicorp saw the heaviest trading in the hina chip sector. McDonald's was up \$\% at \$22\%, while Citicorp fell \$\% to feature continued to ba the takeover bid for UAL. The airline advanced \$5% to \$271% on reports that a laveraged buyout consortinm was being formed by British Airways in partnership with Morgan Stanley.

Georgia Gulf, a chemicals producer, jumped \$7% to \$53% when Mr Harold Simmons, the Dallas corporate raider, said he would consider seeking

C.R. Bard, a hospital supplies company, fell \$1% to \$20% in very heavy trading after the Food and Drug Administration required it to withdraw a new catheter prod-

Maytag jumped \$1% to \$23 in response to press reports that arbitrageurs were accumulatTexas Air was again among the husiest shares on the American Exchange, advancing \$% to \$18%.

Canada

TRADING was sporadic in Toronto where stocks opened mixed but then retreated further by midday following the eharp fall on Thursday. Volume cantred on few stocks and the gold index was the only ona to maka gains, rising nearly 5 points at midday. The composite index fell 8.2 to 3,985.9 with declines leading advances by 276 to 217 on voi-

ume of 20.8m shares.
Among blue chips which fell,
Northern Telecom was down
C\$¼ at C\$23¼ while Canadian
Pacific declined C\$¼ to C\$26.

almost unchanged, slipping 0.1

to 666.9 for a 0.6 per cent

the general index up 1.07 at 313.18, a rise of 0.5 per cent this

week. The market gained sup-port from a slight rise in the

hanking sector and a recovery

STOCKHOLM closed lower

Electrolux, the white goods maker, fell substantially on

disappointment over its six-

months results, revealed on Thursday. Electrolux free

B-shares finished SKr15 down

at SKr346 and the Affars-variden General index slipped

12.1 to 1,360.8 to end the week

in moderate trading. The all-share index rose 2.65 to 513.22

for a gain on the week of 2.5

per cent. Norsk Hydro climbed NKr5 to NKr159, in spite of an

announcement from the com-

pany that a newspaper report of an important North Sea oil

discovery was premature.

OSLO closed mostly higher

spite of rising volume as

MADRID firmed again, with

decline since last week.

in construction stocks.

Raffinerie Tirlemontoise (RT), the country's leading sugar refiner — is a smaller, distinctly more digestible lump for a predator than the powerful, politically symbolic SGB. Size, though, is not the only ingredient of a good thriller, for what has made the RT story particularly puzzling is the 75.35 per cent stake apparently safely controlled by the family-owned parent company RT Holding. opened lower on worries over the dollar's strength and Thursday's fall on Wall Street. The Crédit Suisse index ended

RT Holding Notwithstanding public assurancee that the stake remains intact - and that no negotiations with third parties are nnder way - invectors have doggedly chased the mar-

available "free float").

RT itself, which came to the market just over two years ago and which has embarked on a

diversification programme into non-sugar food products, claims to be none the wiser about what is going on. Mr Ferdinand Chaffart, the chief executive, said this week that the company had "done its utmost" to identify the mystery buyer and had sent out press releases "to avoid people getting their fingers burnt." Few in Brussels doubt the Wittouck family's undertaking that it is still in control - to

there is consistent speculation that some members of the scatcent in local currency terms to tered clan would be happy to Thursday's close compared

The mystery of the sugar refiner occupies Brussels

Tim Dickson on a touch of summer season intrigue

Raffinerie

Share price (BFr)

Tirlemontoise

BRUSSELS, one come-times feels, would sim-ply not be Brussels without a good old seasonal Stock Market Whodunnit.

Exactly two years ago, an unidentified huyer, or buyers, pushed the ahare price of Société Générale de Belgique to giddy new beights, prompting speculation that a bid was set to be speculation that a bid was set to be spring on the country's largest and most presti-gious holding company.

This summer the mystery "play" is no less intriguing, even if the intended victim — Railinerie Tirlemontoise (RT).

ket price 60 per cent higher since the beginning of June and traded 3.5m of the company's shares along the way (aquivalent to about 29 per cent of the capital and thus considerably more than the

have secretly sold any of the RT Holding stake would be to incur the wrath of the tough new head of the country's Banking Commission — but

in Beigium and even those with short memories recall the way the family shareholders of Côte d'Or denied any intention of selling out, right up to the moment Jacobs Suchard, the Swiss food giant, announced On the other hand, given that several Belgian companies have installed "poison pills" and that new legislation on dis-

cash in their chips. Blood is

not always thicker than water

Europe

Belgium

closure (in July) and takeovers (any time now) may start to spoil some of the fun, it is possible that a bld-starved bourse has been letting silly season rumours get out of hand. Whatever the ontcome, the RT story has provided welcome entertainment in a generally dull and disappointing year. According to the FT-Actuaries World Indices, Brussels has been one of the worst performers in 1989, rising only 11 per

with an average European gain of 24 per cent - though a series of new highs this week and strong demand yesterday for Cockerill Sambre, the steel-maker, will have provided some much-needed encourage-ment for the buils.

While some correction was doubtless inevitable after the bid-frenzied months of 1988, a significant additional factor bas been the unaccustomed weight of new paper which the market bas bad to absorn, cul-minating in the record BFr21bn (\$510m) placing from SGB at the end of June.

The question now is whether Brussels can shake off lts hangover in the second half a point on which analysts are predictably divided. Mr Sebas-tian Scotney at Dillon Read, for example, feels that, with inflationary worries receding and the overbang of new stock out of the way, "the market'e recent phase of uninspiring underperformance may now be coming to an end" and that "Belgium should at least perform in line with other northern European markets for the

rest of the year."
Mr Marc Debrouwer of the Petercam hrokerage, hy con-trast, is worried about the short term. While be acknowledges the strong influence of Wall Street and hopes for a soft landing in the US, he believes that "relative to the international market, things will be more difficult in Belgium over the next few months."

He is one of many analysts disappointed by the outcome of the 1990 budget negotiations – just BFr80bn of expenditure "cuts" leaving a deficit of BFr405bn, or 6.5 per cent of gross national product. But his caution about the market stems as much from fears about corporate tax changes coming soon, which will tighten loopholes, as from long-term worries about the Government's determination to curb the country'e indehtedss - equivalent to between

120 and 130 per cent of GNP.
There are few signs, meanwhile, of any slackening in the growth of the real economy. Everyone knows some serious helt-tightening is inevitable, wants to acknowledge it.

Nervousness over dollar's strength creeps in

THE strength of the dollar caused some jitters yesterday, especially with bourses close to highs, and the week ended with more falls than rises, writes Our Markets Staff.

FRANKFURT proved resilient, closing little changed after strong results from steel group Hoesch offset initial nerisness about the strong dollar importing inflation.

The DAX index recouped a

6-point loss to finish 0.39 lower at 1,575.77, a fall of 2.1 per cent on the week. The FAZ index eased 0.03 to 650.24, a decline of 1.9 per cent since the previous Friday. Turnover was again

Hoesch, which reported a 48.4 per cent surge in group pre-tax profits to DM325m, gained DM6 to DM240. The figures hnoyed steel stock Mannesmann, which rose DM3 to DM256.50, although Thyssen, which announces results next month, eased DM2 to DM201. Other features included Schering, the pharmaceutical company, which gained DM9 to DM755 for a variety of reasons, including a local newspaper article on mergers in the sec-tor; general interest in pharmaAZT, the AIDS drug developed by Wellcome of the UK; and prospects for higher earnings

on the dollar's strength. AEG gained DM4 to DM240.50 amid speculation that parent company Daimler had sold a stake to a UK inves-tor. Daimler denied this.

MILAN advanced in optimistic style to a second consecutive year's high. The Comit index gained 8.64 to 715.29 - a 1.8 per cent rise over the week. Turnover was about L300bn, similar to Thursday's.

Cir, the holding company, moved against the trend, los-ing L35 to L6,055. Subscription to its one-for-20 bond cum warrants issue began on Thursday and closes on September 15. Among blue chips, Fiat rose L150 to L11,450 and Olivetti L200 to L9,270. Generali, which has signed a preliminary agreement to set up a joint insur-ance venture in Czechoslo-

vakia, gained L150 to L45,800. PARIS had a slow end to the week, with prices falling quite steeply in low voluma. Although concern about US interest rates remaining firm was cited as a reason for the fall, one analyst said it would be wrong to read too much into thin day's movements.

"Since we're very close to the all-time high, the market seems to be a little hit vulnerable whenever there is uncer-tainty around," he said. The day's main news was

the conditional clearance given by the bourse to the Suez bid for Industrielle and Victoire; Suez is to increase its offer price for Victoire. The Suez ehare price fell FFr12.90 to FFr37L10, while Alspi, which has an indirect stake in indus-trielle, was strong again with a rise of FF130 to FF1642.

Trading in Victoire and Industrielle will resume on Tuesday, after the Commission des Opérations de Bourse gives final approval to the bid on Monday.

Compagnie Bancaire dropped FFr39 to FFr665. It has per-

formed strongly recently and suffered yesterday from a downturn in the bond market,

which had been triggered by falls in US treasury bonds on Thursday. The OMF 50 index fall 5.2 to 508.79, a loss of 1 per cent on the day, but only 0.7 per cent lower on the week. Volume was said to he mnch lower

than Thursday's FFr2.3bn. AMSTERDAM ended slightly weaker again after mixed reactions to the latest first half results from DSM, the chemical group, and ABN, the bank. The CBS tendency index lost 0.4 to 198.3 in reasonable vol-uma worth Fl 886m, and the CBS all-share index was down 1.5 at 205.5, barely changed on

DSM shed FI 1.20 to FI 134.40, but off its day's low, after reporting a sharply higher net profit. One analyst said some investors had been hoping for even more details about the second tranche of shares to be floated in DSM; the price will not be known until later next

ABN, in contrast, edged up 40 cents to F1 45.60 after reporting a 15 per cent increase in profits, a little better than some brokers expected. Transport group Nedlloyd rose F1 1.70 to F1 96.60 in active

trading on hopes of good first half figures next Thursday. ZURICH was lifted to a mixed finish by bargain-hunt-ers who stepped in after shares

SOUTH AFRICA JOHANNESBURG'S all-share

0.9 per cent higher.

index rose 23 to 2,811, an all-time high, spurred by selective demand in thin trading.

Japan weak as Hong Kong slides hand, fell as the yen's weak- was published saying that the than a week ago. However, the ness rekindled fears of higher interest rates. The Industrial UK Government was lifting regulations on the import of

tions and the Tokyo market fell in thin volume yesterday, writes Yuriko Mita in Tokyo. As the dollar surged in Tokyo, many investors stayed on the sidelines and the Nikkei average turned down in morning trading. However, the market recouped some of its losses in the afternoon thanks to index-linked activity and rota-

tional hoying of high-priced laggards as investors switched from one sector to another. The Nikkel average closed down 26.97 at 35,013.19, a figure 0.9 per cent higher than a week ago. The high yesterday was 35,126.08 and the low 34,951.33. Volume, at 456m shares, was slightly lower than Thursday'a 477m: Advances led declines by 454 to 428, while 213 issues

The Topix index of all listed issues closed 26.97 lower at 2.652.50; in London trading, the ISE/Nikket 50 index rose 2.57 to 2.111.65.

Export-related issues, such as Sony, were strong because as Sony, were strong because of the yen's fall. Sony, which climbed Y210 to Y8,890, was also boosted by optimism about the company's April-June quarterly results, due to be published shortly. Banking issues, on the other

NATIONAL AND REGIONAL MARKETS

Figures in parentheses show number of etocks

Austria (19

Hong Kong (48). Ireland (17).....

150.11 134.90 192.57 151.18 198.30 135.06 125.92 94.03 109.89

-1.7 -0.6 -0.9 +0.1 -1.4 -2.1 -0.7 -1.3 +0.9

DISCOURAGED by the Bank of Japan, a benchmark Japanese machine tools, strengthening dollar, investors issue, fell Y50 to Y5.440. Nippon Steel was third most backed away from taking post—Nippon Columbia, a record active it fell Y10 to Y833, on a manufacturer, rose

company would enjoy windfall sales of records by the popular Japanese singer Misora Hibari,

As the temperature rises in Tokyo, so does the Japanese appetite for beer, helping Asahi Brewery climh Y130 to Y2,370. An analyst said that

nol-based car and its tie-up with Ford Motor to distribute

Y1,430 on expectations that the who died last mouth.

many investors were also expecting leading securities houses to support the company'a stock price before a rumoured issue of warrant bonds at the end of the month Automobile issues continued to be bought as leisure-related stocks. Suzuki Motors, the mini car specialist, was the mini car specialist, was the most active issue, hitting an all-time high of Y970, up Y20, on turnover of 8.73m shares.

Mazda Motor, eecond most active with a volume of 6.89m shares, closed up Y40 at Y1,110, an all-time high. The company's efforts to develop a methanol-based car and its tie-up

US cars in Japan helped to draw investor interest. Komatsu, which is best known for its construction machinery hut is also a machine tool maker, closed unchanged at YI,300. A report

THURSDAY AUGUST 17 1986

131.99 138.14 134.69 129.43 206.06 125.33 131.30 96.23 110.14

ne of 6.49m spares Share prices in Osaka firmed, with the OSE average up 47.17. Volume, at 61m shares, was off slightly from Thursday's 75.9m.

Roundup

REPORTS of a leadership struggle in China hit Hong Kong, while other leading Asia Pacific markets took a hreather. Volatile Talwan, however, rebounded from Thursday's losses. HONG KONG declined, but

recovered from its lows after a denial by Peking of rumours of a power struggle within Chi-na's leadership, which had prompted a sharp fall in morn-ing trading. The Hang Seng index closed at 2,573.16, down 43.82 or 1.7 per cent, after los-ing 102 points in the first hour of the session on a press report that China's Defence Minister had been detained. Turnover awelled to

HK\$1.65n from Thursday's HK\$787m. Tha Hang Seng index declined 1.5 per cent over

the week.
SINGAPORE saw the Straits Times industrial index edge up 5.93 to a post-crash high of 1,381.49 — 0.3 per cent higher

US Dollar Index

Groes Div. Yield

ESDAY AUGUST 16 1989

Local Currency Index

broader market ended mostly lower, with falling stocks outnumbering rising ones by 166 to 71. Turnover was moderately active at 109m shares, but down from Thursday's 118m

AUSTRALIA fell prey to profit-taking after the recent advance and suffered from interest rate jitters. The All Ordinaries index declined 9.7 to 1,717.0, reducing its gain over the week to 1.3 per cent. Thrnover was moderately active at 128m ahares worth The central bank warned

late on Thursday that interest rates might have to remain high for a considerable time. IEL, the investment com-pany, rose 8 cents to A\$2.26 after a A\$2.40-a-share bid from Corama, which bought 52 per cent of IEL last month. Adsteam, which holds a 12.5

per cent stake in IEL, gained 14 cents to a year's high of ASS.20. NEW ZEALAND opened strongly, but profit-taking set in after its 6 per cent surge over the previous three sessions. The Barclays index eased 15.61 to 2,321.01.

TAIWAN bounced back after Thursday's fall, gaining 132.66, or 1.4 per cent, to 9,720.00 - a rise on the week of 6.3 per cent. Turnover was T\$126.2bn, down from the previous day's record Interest focused on indus-

DOLLAR REDEX

1989 High

trial issues.

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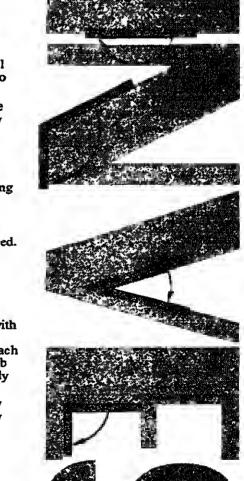
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LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent trom last Thursday's Stock Exchange Official List and should not be reproduced without permission. Detailly relety to those securities not included in the ET Share

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursdey end settled through the Stock Exchange Teliaman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thurs-

day's Official List the latest recorded business in the four previoue deys is given with the relevant dete. Rule 535(2) and Third Merket stocks are not regulated by the international Stock Exchange of the United Kingdom and the Republic

Bargains at special prices. • Bargains done the previous day.

Corporation and County Stocks No. of bargains included 4 Greater Landon Council 614% Stk 90/92 -Birmingham Corp.3% Stk 1947(or after) =

#226 (11Au89) (11Au89) (17Au89) (17Au89) (17Au89) (11Au89) z. rue Menchester Corp 4% Cons Irrd Stk ~ £33 (11 Au89) Reading Corp 3%% Stk ~ £31 (11 Au89)

UK Public Boards

No. of bargains included rill
Agricultural Mortgage Corp PLC 4%% Deb
Six 91/91 - 287 111/au89)
Six 91/91 - 287 111/au89)
Six 91/91 - 289 2994 - 253% (15Au89)
Six 90 bb 8tx 95/90 - 293 (14Au89)
71/85 2995 - 195/90
10 % Deb Six 92/95 - 195/90
Cityde Port Authority 3% Ind Six - 225/9
4% Ind Six - 225/9
Scottish Agric Sec Corp 7%% Deb Six 90/92 - 288% (15Au89) Commonwealth-Government

Jersey Electricity Co Ld8% Gtd Stk 2006 - 2940 Foreign Stocks, Bonds, etc-(coupons peyeble in London) No. of bargains included 15

Abbey National Building Society 11%% Nts 1993 (8421000,10008100000) - 299% (154489) Anglo Group PLC9%% Cnv 8de 1998 (Reg) - 2157 80 (Neg) = \$157.80
Associated Newspapers Holdings PLC
6%% Gat Erich Bds 2003 - \$182% \$\Phi\$
Australian Industry Dev. Corpn. 10%% Bds
1999 - \$27% (144.88)
Banque Nationale De Partis 9%% Nts 1991
(Br£5000) - \$285.486 (144.88)
Barclays Bank PLC12% Nts 1902 £100.55 (144.88)
Balkins 9.V. Zebras 257/93@F £10000) £56 (164.889)
Cookson Figance NV5%% Gtd Red Cry

266 (15Au8) 25/793(Br £10000) = 266 (15Au8) 25/6 (15Au8) ioneral Motors Accept Corp Canada 10% h Nts 3/12/91(Br\$C1000&10000) -\$C100 (14Au89)

SC100 (14Au89) Halitax Building Society 10%% Lin Nts 1991 ~ £101,42886 (14Au89) 1991 ~ 2101,42888 (14Au89)
FitgRateLnNts 1996(Ser
AKB12500(850000) ~ 2100 (15Au89)
Hydro-Quabec9% Debs Sers GS 21/4/97
(8:SC100045000) ~ 5C37,4 (15Au89)
(nvestors in Industry Int'l SIV 10% Gtd Nts
1993(Br25000) ~ 254% (15Au89)
Hydroxybla g1)9% Nts 1990 ~ \$100,7
(11Au89) 14% Nts 1995 (Br\$10000&100000) --10%% Bds 2014 (Br£10000850000) =

\$104.3 (11AM89)
10% 8 dis 2014 (Br210000&50000) =
£101% 1/2 (15AM89)
Ladhinde Group PLC5%% Subord Criv
Bds 2004(Br£1000&5000) = £104%
Lloyds Bank PLC111% Subord Serial Nia
1998(Br£10000) = £95% (15AM89)
New Zesland 77% 8 dis 1991
(Br£50008£10000) = \$97% (11AM89)
Fitg Rate Nia 1996 = \$100.16 (15AM89)
Norsk Hydro AS 9% 8 dis 1995 (Br
FR10000350000) = £799.7 (11AM89)
9% Nia 1993 = £943 (14AM89)
12% 8 dis 1993 = £20% (14AM89)
Porinsular & Oriental Steem Nav Co 4%%
Criv Bds 2002 = £704%
Rankel Hovis McCougall PLC4% Criv
Bds 2003 (Br£5000) = £102% 6
Royal Bank of Cenada 10% 5688 (15AM89)
Sentebury (J) (Capital) L16% Criv Cap Bds
2004 (Br£5) = £114
Sears PLC10% Bds 1993 = £95%
(14AM89)

Slough Estates PLC6% Cnv Bds 2003 -£123

STORY STATES PLC6% Criv Bds 2003 – £123
Sweden(Kingdom of)6%% Bds 1996 – \$30% (15Au89)
6%% Bds 1996 (8£5000) – £90%
1.025 (11Au89)
Tesco PLC4% Criv Bds
2002[8£10085000) – £120
Trusthouse Forte PLC10%% Nts
1992[Wilhout Warrants) – £95% Wg
Waters City of London Properbes PLCRed
Warrants to sub for Crd – £140
(11Au89)
Wellcome PLC9%% Bds 2006 – £89%
(14Au89)

Sterling Issues by Overseas Borrowers

No. of bargains in American Medical International Inc 9%% Uno Ln 8tk 2011 – £83 115Au69) Asian Development Bank 10%% Ln Sik 2009(Reg) – £101.825 % (15Au69) AustraliaCommonwealth 0(19 5% Ln Sik

2012(Reg) - £93% 111% Ln Stk 2015(Reg) - £109% K % ank of Greece101.% Ln Stk 2010(Reg) -£94% (16Au69) Casso Centrale De Cooperation Econ 12% Gdd Ln Stk 2013(Reg) - £119

(15Au89) Credit Fonder De France 10": **GirlSerLnSib2011, 12,13,14(Reg) - £102.5 lingdom of) 13% Ln Stk 2005 -£118 £118
Eaton Finance NV 12'-% Una Lin Stk
2014(Reg) – £107 (15Au89)
Electricite de France 12'-% Glid Lin Stk
2005(Reg) – £120% %
11'-% Gtid Ser Lin Stk 2009/12(Reg) –

214"-\Phi European Investment Bank 9% Ln Stk 2001 | Req) - C92"-\Phi & \Phi \ Stk 2001 | Req) - C92"-\Phi \ Stk 2009 - E96"\Phi \ Ln Stk 2009 - E96"\Phi \ Ln Stk 2004|Req) - E101"-\Phi \ X 11% Ln Stk 2004|Req) - E104"-\Phi \ Stk 2004|Req | - E104 Finland(Republic on 1177 - 2009(Reg) - 2111% % Hvdro-Quebec 12.75% Ln Stk 2015 -

Inter-American Development Bank94% Ln Sta 2015 - E97%© International Bank for Roc & Dov92% Ln Sta 2010(Roc) - E96% 11.5% Ln Sta 2003 - £109% % % (ISAu89) 15% Ln Stk 2011 - £135%

(15Au89)
Mailaysin 10½% Ln Stk 2009(Br) - £36% Mailaysin 10½% Ln Stk 2009(Reg) - £106% Mailaysin 11½% Stk 2009(Reg) - £106% Mailaysin 11½% Stk 2014(Reg) - £110% ½ ½ ½ Nove Scottal(Province of) 11½% Ln Stk 2019 - £110% (15Au89)
10½% Ln 5tk 2011 - £149½
Petroleos Mexicanos 14½% Ln Stk 2006 - £88 44 €

Petroleos Mexicamos 141/3% Lin Sak 2006 -288 % 9 Portugal(Rep of) 97% Lin Sak 2016(Reg) — £85% (16Au89) Sparriktingdom of) 11 %% Lin Sak 2010(Reg) — £1117% (16Au89) Swedon(Kingdom of) 13.5% Lin Sak 2010(Reg) — £127% % (14Au89)

Banks and Discount Companies No. of bargains included 3153

No. of bargans included 3153
Australia S New Zoaland Banking Gp New SA1(50% PdaRkg 50% Div Till 30/9/90)
– 140 (11Au89)
Bank of Ireland(Governor 0 Co of) 7% Ln Skt 8541 – 283 (11Au89)
Bank of Wales PLC 13%% Subord Uns Ln Skt 8597 – 2107 (14Au89)
Barclays Bank PLC 7%% Uns Cap Ln Stk 8591 – 291Ф
8 % Uns Cap Ln Stk 85/93 – 290% 1%
% 2 3

12% Uns Cap Ln Stk 2010 - £108% % 16% Uns Cap Ln Stk 2002/07 - £132% Barnes PLCS% Cum 2nd Pri £1 - \$7% 6 (14Au89)

(14Au89) CNon Ving 21 = 59 (15Au89) Lembard North Central PLC5% Curn 2nd Prf 21 = 53 9 (14Au89) Michand Benk PLC 7%% Subord Une Ln Six 83/93 = 687% (16Au89) 10%% Subord Une Ln Six 93/98 = 9894, 40% 10% SUBGRU VIII 100%
199 X 100%
14% Subord Uns Ln Stk 2002/07 —
21197, %, %
KY50 — Y3153,284 (18Au89)
National Westminster Bank PLC7% Cum Pri £1 - 66 S

9% Subord Uns Ln Stk 1998 ~ 283%
122% Subord Uns Ln Stk 2004 £1117 % %

Prudential-Bache Cap Funding PLC8% %
Cam Pri £1 - 92 (14Au89)

Royal Bank of Scotland Group PLC
Warrants to sub for Ord - 79 (16Au89)
Schroders PLC8% Uns Ln Stk 97/2002

- 281% 2 (16Au89)
Standard Chartered PLC 125% Subord
Uns Ln Stk 2002/07 - £108 (15Au89)
10% Subord Ln Stk 2008 - £97% %

V 7 7 TSE HR Samuel Bank Holding Co PLC8% Una Ln 8rk 89/94 - 288% (15Ax89) Warburg JS.G.) Group PLC 7%% Cum Prf £1 - 86 Wells Fargo 0 Company Shs of Com Stk \$5 - \$79.84585 (15Au89) Wintrust PLC 10% % Cum Prf £7 - 109

Brewenes and Distilleries No. of bargains included 819
Allied-Lyons PLC5X% Cum Prf £1 = 54% (16Au89) 7%% Cum Prf £1 - 72 (18Au89) 8%% Red Deb Stk 84/89 - £98

14AU89))'4% Red Deb 8tk 87/92 - £88)14Au691 7%% Red Deb 8ik 89/93 - £88%**©** 11%% Deb Sik 2009 - £112% (16Au69)

7% Red Dob 8tt 89/53 - 289/94
11% Deb Stt 2009 - £112½ (16Au89)
51% Uns Ln Stt - 255 (15Au89)
7% Uns Ln Stt 82/98 - 284 (16Au89)
8ss PLCADR (5:1) - \$87% - 118Au89)
8ss PLCADR (5:1) - \$87% - 118Au89)
7% Cum Pri £1 - 38 (15Au89)
7% Cum Pri £1 - 70 (16Au89)
8% Deb 8tt 97/82 - 282½
10% Deb Stt 20/99 - £100%
10.65% Deb 8tt 96/99 - £100%
10.65% Deb 8tt 96/99 - £100%
10.65% Deb 8tt 96/99 - £56 (15Au89)
7%% Urs Ln Stt 92/97 - £56 (15Au89)
8tt 92/97 - £56 (15Au89) 116Au83) 8% Cum Prf £1 = 98 7.6% Deb Stk 87/92 = £92% (15Au89) 10% Deb Stk 2014 = £96%

7% Irrd Uns Ln Stk - 269 6% Irrd Uns Ln Stk - 273**9** 6ulmess PLCADR (5:1) - \$46% 7.10 Hardys & Hansons PLCOrd 25p = 955 70 (15Au89) Mansfield Brewery PLCOrd 21 - 497 (16Au89) (16Au89)
Marston Thompson & Evershed PLC4X%
Rad Deb Sd: 1992 ~ £77 (15Au89)
Scottish & Newcastle Browners PLC4.8%
Cum Prf £1 ~ 75 (14Au89)
7* Criv Cum Prf £1 ~ 180
7.1* 1st Mrg Deb Stk 85/90 ~ £95%
(11Au89)

(114.89)
Seagram Dishilers PLC 12%% Deb Sik 2012 - £114% % (14A.89)
Vatu Group PLC 4% % A Cum Pri £1 - 44 (16A.89)
7% Deb Sik 67/92 - £28 (11A.89)
10.75% Deb Sik 67/92 - £28 (11A.89)
10.75% Deb Sik 67/92 - £28 (11A.89)
10.75% Deb Sik 67/92 - £31 % (15A.89)
6% Red Deb Sik 68/93 - £31 % (15A.89)
6% Red Deb Sik 68/93 - £31 % (15A.89)
10.75% Red Deb Sik 68/93 - £37%
11.40.89) 4Au89()4% Red Deb Stk 90/95 - 298 ?%% Red Deb Stk 2006 - 2115% % % bread & Co PLCB Ord 25p - 211.1

(14Au85) 41/46) at Cum Pri Stk 21 = 451/4 (14Au89) 5% to 3rd Cum Pri Sik £1 = 55 (15Au89) 6% 3rd Cum Pri Sik £1 = 80Φ 41)% Red Deb Sik 99/2004 = £58 (11Au89) 1Au89) % Red Deb Stk 28/93 - £864 % Red Deb Stk 89/94 - £88% 9% 15Au89) 744 Uns Ln Sik 86/91 - £904

(15Au89) 5 k% Lrd Uns Ln Stk = £50 Young 0 Co's Brewery PLC9% Cum Pri £1 = 100 Registered Housing ASSOCIATIONS

No. of bargains included 1 Housing Finance Corporation Ld5% Deb Stk 2027 - £48% Commercial, Industrial, etc. COMMETCIAI, INCUSTNAI, eTC
No. of bargains included 15334
A.C.Holdings PLC11% Crw Uns Ln Stk
94/98 - £58 (15Au89)
ADT Ld ADR (16·1) - \$31% 2.3
AMEC PLC15% Une Ln Stk 1992 - £107
Adscene Group PLC7%% Crw Red Cum
Prf £1 - 123%
Aerlinte Eireann Teoranta 10%% Stig Deb
Sti 31/98 - £36% (14Au89)
Alriours PLCWarrants to sub for Ord 180
Albion PLCOrd 20p - 750

Albion PLCOrd 20p - 754 Albright & Wilson Ld74% Deb Sik 85/90 -Albright & Wilson Ld7%% Deb Six 85/30 £90 (14Au89) Alcen Akuminium LdCom Shs of NPV -Alcan Aluminium Lissan. \$23.65 Alexanders Hidgs PLC*A*(RstV)Ord 10p --

24
8%% Curn Prf £1 - 76
Alexen Group PLC6.25p (Net) Cnv Curn
Red Prf 10p - 105 5 6
Alled-Signal inc Shs of Curn Sik \$1 \$38.838733@
Amber Day Higgs PLC10%% Curn Prf
99/2002 £7 - 98 Amber Day Hidgs PLC10%% Cum Prf 99/2002 ET - 98
Arien PLC 11 11 % Crw Uns Lit Sik 1990 - £90 (14Au59)
Associated Leisure PLC7%% Uns Lit Sik 8994 - £87 (14Au59)
Associated Leisure PLC7%% Uns Lit Sik 8994 - £87 (14Au59)
Automated Security(Hidgs) PLC5% Crw Cum Red Prf £1 - 155%
6% Crw Cum Red Prf £1 - 116 7 0 0
Avdel PLC 10%% Uns Lit Sik 96/88 - £90%
Avesco PLCCum Ptg Crw Red Prf 1997 1p - 116 (11Au59)
B.A.T industries PLCADR (1:1) - 016
B.A.T industries PLCADR (1:1) - 016
B.A.T industries PLCADR (1:1) - 016
B.A.T industries PLCADR (1:1) - 516
B.A.T industries PLCADR

(15Au89) BhS PLC7%% Mtg Deb Stk 94/98 - 580 BICC PLC6% 1st Cum Pri Stk £1 - 58

BICC PLC 6% 1 st Cum Prf Stk 21 - 58 (14Au89)
5% 2nd Cum Prf Stk 21 - 52 (15Au89)
5% 2nd Cum Prf Stk 21 - 52 (15Au89)
7% Deb Stk 85/09 - 294 (15Au89)
7% 20 - 135 % (15Au89)
BOC Group PLC ADR (1:1) - 58.42
114Au89)
4.55% Cum Prf St - 62 (15Au89)
3.5% Cum 2nd Prf E1 - 57 (14Au89)
124% Uns Ln Stk 2012/17 - 21094@
18PB industries PLC 101% 2 Deb Stk
97/2002 - 296% (15Au89)
103% Deb Stk 94/99 - 239% % 100
(15Au89)

(15Au89) B.S.G.International PLC121/16 Una Ln Stk 93/48 - 295Ф 100Ф BTP PLC7.5p(Net) Cnv Cum Red Prf 10p BTR PLC ADR (4:1) = \$29% % (14Au89) Babcock International Group PLC Ord 10p - 65 5 % 4345 % % % 0 6 Bardsey PLCWarrants to sub for Ord = 35 Bart & Wallace Arnold Trust PLCOrd 25p

- 580
Bernett Developments PLCO%% Une Ln
Six 92/97 - 255 (15Au83)
Beautord PLC 7p (Net) Curn City Red Pri
10p - 112/0 40
Beazer PLC8/67% Curn Red Pri 21 8012-1 80% \$ 8% Crw Uns Ln Stx 2000 - £129 Bentals PLC5%% Cum Pri £1 - 52 n akası PLC7'4% Uns Ln Stk

Blackett Hutton Hidgs Ld 5/1% Curn Pri Stk £1 - 48 Stk ET - 48 Blockinys PLC6% Cum Pri 50p - 29 Blue Arrow PLCADR (10:1) - \$17.8.85 Blue Circle industries PLC5%% 2nd Deb Six 1984/2009 - £66 (15Au69) 6'-5 Uns Ln Six(1975 or att) - £59 (14Au69)

Blunder-Permoglaze Hidge PLC7%% Uns Ln 8tk 90/95 - £80 (14Au89) Boots Co PLC7%% Uns Ln Stk 96/93 -£88 91. Bowater Industries PLC4.35% Cutt Pri 21 Downstr Industries PLC4.35% Cum Pri 1 - 63 (15Au89) Sowthorpe Hidgs PLC7% Uns Ln Sek 50/95 - 120% (16Au89) Brame(7.F.8.LH, KHIGG) PLC*A* Non.Y Ord 25p - 233 (11Au89)

Briden PLC6% Deb Stk 88/93 - £87% (15A85)
10%% Deb Six 91/96 = 295@
Brissof Evening Post PLC10%% Mitg Deb
Six 91/96 = 297@
British Aerospace PLC7.75p (Net) Cum
Cn/R Red Pri 250 = 107 7 % % % % 0 0
% % 3.91 % % 508 % % 9 9
British Airways PLCADR (10:1) = \$31%
\$5.%

British Alcan Aluminium PLC 10%% Deb Six 2011 - 255
Pritish-American Tobacco Co Ld 5% Cum
Pri Six 21 - 53 (14/4/85)
6% 2nd Cum Pri Six 21 - 66 (15/4/86)
6% 2nd Cum Pri Six 21 - 66 (15/4/86)
attish Shoc Cup Hidgs PLC 5%% Cum
2nd Pri 21 - 50 (15/4/86)
54% Cum 3nd Pri 21 - 50 (15/4/86)
7% Uns Ln Six 8550 - 59
attish Steel PLCADR (10:1) (Pby Pd) \$11%

British Steel PLCADR (10:1) (Ptly Pd) = \$11% British Sugar PLC 10%% Red Deb Stk 2013 - 2102% % (18Au89) Brown & Jackson PLC 10.75% Cm/ Cum Prif 21 - 98 (16Au89) BulginfA.F.) & Co PLC Ord Stk 5p - 125 (15Au89) Burzi PLC7% Cnv Una Ln Stk 96/97 -292 Surndene Investments PLC15% Uns Ln Sit 2007/12 - 2108 (14Au69) Burton Group PLC6% Uns Ln Sit 98/2003

9%% Uns Ln Stk 95/2008 - 290% (15Au89) 8% Criv Uns Ln Sik 1998/2001 – £712 3 n's Ld7%% 1st Mtg Deb Stk 85/90 -C.H.Industrials PLC9%% Cum Red Prf £1 - 37 % Cadbury Schweppes PLC 0% % 1st Mig Deb Sit 94/2004 - 291 © 9% 1st Mig Deb Sit 88/83 - 293 (14Au89) (14Au89) (14Au89) anning(W.) PLC7%% Uns Ln Stx 88/93 – 277 (15Au89)

277 (15Au89)
Capero Industries PLC8.75p Dividend Criv
Cum Red Pri 20p - 136
Carbo PLC7.5% Cum Red Pri 1990 £1 -102 (15Au89) 102 (15Au89)
Cardo Engenering Group PLC 10% % Cum
Red Pf 21 - 103 (14Au89)
Carton Communications PLC Ond 5p
(Restricted Transfer) - 842 3 50
8.5p(Net)CumCnvRedPrf 5p(Rest
Transfer) - 108 9 9
Ceterpair incSts of Com Stk \$1 \$63.24788 (14Au89)
Channel Tunnel Investments PLC5p - 178
90
Charrier Tunnel Investments PLC5p - 178

ov herringtone Industrial Hidgs Ld 1014% Uns Ln Stj. 93/98 – 295 (14Au89) herrer Consolidated PLC2p(Br) (Cpn 50) 99 Now Racecourse PLCOrd 25p - £10 Blowers PLCOrd 25p - 490

Chapstow Rececourse PLL-Law expended Elowers PLC Ord 25p - 490 (16Au89) (16 8 % Uns Ln Stk 2002/07 - E71 % (15Au89)
7 % Uns Ln Stk 90/95 - 235Φ 0 % Φ
Coats Viyelia PLC 4.9% Cum Pri 21 - 55 7
Cohen(A.) & Co PLC Non.V 'A' Ond 20p - 210% 10% (15Au89)
Cooper (Frederick) PLC 9.5p (Nen) Cnv Red Cum Ptg Pri 10p - 96 (14Au89)
Coursuids PLC ADR (1:1) - 35.94Φ
7 % Dab Stk 89/94 - 259
5 % Uns Ln Stk 94/96 - 274 5%
6 % Uns Ln Stk 94/96 - 275Φ 8Φ
7 % Uns Ln Stk 94/96 - 255%
7 % Uns Ln Stk 2000/05 - 277 % 9% (15Au89)
Courtsuids Coefforts I d8% 4 Uns Ln Stk

(15Au89)
countmids Coetings Ld8%% Uns Ln 9tk
90/95 - 287% (16Au89)
curts(Furneshers) PLC 7.7% Cum Prf £1
- 65 (14Au89)
rode International PLC8.6% Cum Prf £1 - 87 Crystalate Hidgs PLC 0%% Cnv Uns Ln Srk 2003 - £70 DRG PLC7%% Uns Ln Srk 88/91 - £91% Daigety FLC4.85% Cum Prf £1 - 60 Davemport Knitweer PLC Ord 10p - 455

Daviers & Metcalle PLC*ATNon.VjOrd 10p - 455 (164x89)
Davies & Metcalle PLC*ATNon.VjOrd 10p - 223 (144x89)
Deberhams PLC6X% 2nd Deb Stx 90/95 - 279%
6% Uns Ln Stx 86/91 - 288 91 % % 7%% Uns Ln Stx 2002/07 - 272@ 4@ 7%% Uns Ln Stx 2002/07 - 273 (144x89) (11Au89) ohn PLC3,15% Cum 2nd Pri £1 ~43 (14Au89) 7%% Deb Sik 85/90 = £91 (14Au89) 10%% Deb Sik 95/99 = £100 encora PLC 6.25% Cum City Red Pri £1

Denotra PLC 925% Cum Chy Red PT ET - 147 (15Au89)
Dewhurst PLC Ord 10p - 73 (16Au89)
Dowly Group PLC 7% Chy Cum Red Pri ET - 132 4
EIS Group PLC 5% Cum Pri Six 21 - 46 (14Au89)
Eastern Produce(Hidgs) PLC 10%% Uns (14Au88) Esistem Produce(Hidgs) PLC 10%% Uns Ln Str 92/97 - 286 (14Au88) Esiot(B.) PLC7% Cnv Cum Red Pri £1 -113 (16Au89) 7%% Deb Sck 90/95 - 282% (16Au89) Ellis & Everard PLC7%% Deb Sck 87/92 -E88 (11Au89) Iswick PLC6* Cnv Cum Red Pri 92/94

21 - 275 (15Au89) English China Clays PLCADR (3:1) -\$23.235 (15Au89) \$33.235 (15Au89)

European Home Products PLC83*% Com
Red PT 2001/05 £1 = 98% (14Au89)

8 % Crw Cum Red PT 2008/11 £1 = 83

Euroburnel PLCEuroburnel SAUrbits (1

EPLC Ord 40p & 1 ESA FR10) (8r) =

£2.8803 (11Au89)

Units (Sicoyam inscribed) = FF92.8.95

Evode Group PLC7p (Net) Crw Cum Red
PT 10p = 96 7 9

FI Group PLC7.7% Crw Cum Red PT

95/98 £1 = 110% 50

Finlay/James/PLC4.2% Cum 1st PT Sik £1

- 58 [11Au89)

Fisons PLCADR (4:1) = \$21.9

5*% Uns Lin Sik 2004/08 = £58

(15Au89)

(15Au89)
Folkes Group PLCOrd 5p - 78 81
Fortnum & Meson PLCOrd Six £1 - £46
(14Au89) (14Au89)
Friendly Hotels PLC4%% Cnv Cutt Red
Pri £1 - 103 (11Au89)
5% Cnv Cutt Red Pri £1 - 175
(15Au89)
7% Cnv Cutt Red Pri £1 - 113
GKN PLC9%% Una Lin Sit 88/63 - 283

(11Au89) (11Au89) GKN (United Kingdom) PLC7%% Gtd Deb Sit 88/91 - 28/40 101/% Gid Deb Sit 90/95 - 296% G.R.(Hidgs) PLC 10%% 2nd Cum Prf 21 -

1159 General Electric Co PLC ADR (1:1) - \$4.28 29 74% Uns Ln Six 87/92 - 289% 74% Uns Ln Six 88/93 - 289% Gestatrier Hödgs PLC Ord Cap 25p - 257 10% Criv Uns Ln Six 90/95 - £148 (14Au89) Group Ld6/% Libra Ln Six 88/95 Glaxo Group Ld6%% Uns Ln Stk 85/95 50p - 43 74% Una Lii Sik 85/96 50p - 45 (14Au69) Glynwed international PLC10%% Uns Ln Stk 94/98 - 295 9 (15Au69) Goodwin PLCOrd 10p - 53 6 (15Au69) Grand Metropolitan PLC5% Cum Pri 21 -

9% Cum Pri 21 - 62 (14Au89) 5.75% Cm Uns Ln Sk 1969 400p - 827 7 9 6 31 2 3 5 5 7 7 9 6 31 2 3 5 5 7

Great Universal Stores PLC 6%% Red Uns
Ln Stk = £580
8 % Uns Ln Stk 93/98 - £900 30

Hall Engineering(Hdgs)PLC5.55% Cum Pri
£1 - 75 (14Au89)
Halma PLC11% Cum Pri £1 - 114
(11Au89)
Hanover Druce Pt £2 7 7 6 (11Au89)
Hanover Druce PLC8.75% Cnv Cum Red
Pri S1 - 78 (14Au89)
Hanson PLCWarrants to sub for Ord - 54
5 5 % 9 7 7

5 5 % 9 7 7 Hawker Siddeley Group PLC0%% Cum Pri E1 – 53 (16Au89) Hercules IncShs of Com Stk of NPV – £30% (16Au89) Hoge & He PLC9% Uns Ln Stk 89/94 – £86%Ф Hillsdown Hidgs PLCADR(4:1) - \$19 Hodgson Holdings PLC6.75p (Net) Cnv Prf 5p - 88 5p - 88 Hosetrist Finance PLC 10% Glod Una Lin Sik 1990 with Rts - £310 (15Au69) Honda Motor Co Ld Sha of Com Sik YSO -Y2110 30 5 55.59 Y2110 30 5 55.59
House of Fraser PLC6½% Line Ln Sok
93/98 = £86Ф 7%Ф
Howard & Wyncheun PLC18% Line Ln Sok
76/91 = £100 (15Au89)
Humberint Group PLC0½% Cnv Cum
Red Pri £1 = 95 (15Au89)
Hunting Globon PLC8.25% Cum Cnv Pri

IMI PLC7%% Una Ld Sik 85/91 - 288 (11Au69) 7%% Uns Ln 9tk 88/93 = 988% (11Au69) 7%% Uns Ln Six 88/93 = 288% (11Au69)
0% Uns Ln Six 85/90 = 296% lostend Frozen Foods Hidge PLCCnv Cum Red Prt 20p = 111 2 2 % & 4 4
Illingworth Morns (Saltainst 147% Non-Cum Prt 50p = 30Φ Jessups PLC 7-3p (Net) Cnv Cum Red Prt 50p = 80Φ Johnson & Firth Brown PLC 11,05% Cum Prt 51 = 112Φ 11% Uns Ln Six 93/98 = 293Φ Johnson Group Cleaners PLC 7-3p (Net) Cnv Cum Red Prt 10p = 141 Johnson-Matthey PLC 8% City Cum Prt 51 = 705 (15Au89) 67% Mig Deb Six 85/95 = 296% 6%% Mig Deb Six 85/95 = 296% Jones & Shipman PLC 4.9% Cum Prt 25p = 10 (15Au89) ILP Group PLC Cum Cnv Red Prt 10p = 85Φ Keppel Corporation LdOrd \$81 =

Keppel Corporation LdOrd \$81 -\$35.32915 Kymmene Corporation She FM20 (Unrestricted) - FM))67

Ladbroke Group PLCADR (1:1) - \$\$.29 (11Au83) 8% Gtd Uns Ln Stk 90/92 - \$90 Lamont Hidge PLC10% 3nd Cum Pri £1 -108 (14Au83) Lepone PLC51/% Cum 2nd Pri Stk £1 = 55 (11Au88)

Leisure Investments PLC7% Cum Crw Red Prf (\$3788) \$1 - 75 Law(s)(bh) PLC7% Cum Prf Stk \$1 - 68 (14Au85) (14Au69) Lewis/John/Partnership PLC5% Cum Pri Sit E1 - 50 (15Au69) Lex Service PLC6%% Uns Ln Six 92/97 -Les Service PLCS/S dus Et dix Service 288 (11489)
Life Sciences International PLCS% Cum
Cm Red Pri E1 - 190 205
Linread PLC7% Deb S0: 89/35 - 289 %
(154889)
London International Group PLCADR (5:1) - \$19.06 (15Au69) Lowrice PLC10%% 1st Mig Deb Stk 97/2002 - £98 (11Au69) 9% 2nd Mitg Deb Stk 87/92 - £90

(14Au69) Low & Bonar PLC5%% 3rd Cum Pri Stk Low(Wm) & Co PLC8.75% Cum Crw Red Pri 21 - 151 Lowe(Robert H.) & Co PLC6%% 1st Cum Pri 21 - 464 87.5% (Net) Criv Curri Red Pri 10p - 65 (15Au89) Lucas industries PLC 10%% Uns Ln Stk 92/97 - 258% 100 MBS PLC6% Cnv Uns Ln Stk 1997 - 250 [11Au88]
Macame(London) Ld7X% Uns Ln Stk
8891 - 287 (11Au89)
McCartry & Stone PLC8.75% Cum Red
Pd 2003 S1 - 89 %1
7% Cmv Uns Ln Stk 99/04 - 281
(16Au89)

(10Au89) Agriet Group PLC7.5p (Net) 1st Red Prf 50p - 44 8 encer PLCADR (6:1) - \$21.16 Marks & Spericar Parkets (11Au9)
7% Curn Prt 21 = 68
Markey PLC 111% Deb Stk 2009 = £107%
8% (15Au89)
Marshalts PLC 10% Curn Prt 21 = 1099
Maccat Leisure Group PLC 7.25p (Net) Crv
Curn Red Prt 20p = 97.7 9
Manzies(John) PLC 9% Curn Prt 21 = 90
11414/86 Menzies(John) PLC9% Cum Prf £1 - 90 (14Au69) Victein Tyre PLC6%% Deb Six 92/97 -£92@

£92**©**filel Corporation Cum Shs of NPV - £2.05
(16Au89)
fonsamo Co Cum Six \$2 - \$115.02113 onsamu (15Aut E78

Mount Charlotte Investments PLC10%%
1st Mrg Deb Stk 2014 - £100% %%
(15Au89)
NGR CorpCom Stk S5 - S51% (15Au89)
NSM PLC8.5p (Net) Cnv Cum Red Pri 10p
- 127
Newarthill PLC0%% Cum Pri 21 - 85%
(11Au89)
News Internation 189) 110 PLC 51/1% Gtd Ln Stk 92/97 -

1Au89) s International PLC8% 2nd Cum Pri News International Control of State (Next PLC 10%"B" Cum Pri 50p - 44 (14Au69) Normans Group PLC 8%% Cmv Uns Ln Stk 98/04 - £103@ 99/04 - 210300 Norsk Data AS Class "B" (Non Vtg) NK20 -NK5% 38.6 Northern Engineering Industries PLC 5.375% Cum Prf 21 - 72 (14Au89) 94% Uns Ln Sik 88/93 - 200% (18Au89)

(15Au69) 9% Urs Ln Sik 90/95 ~ 289% (14Au89) arthem Foods PLC7 X% Dab Sik 85/90 ~ 294 (11Au89) ceonics Group PLC9 X% Cum Red Pri 1993 £1 = 53 Warrams to sub for Ord = 20 Owen & Roberson PLC B%% (Net) Cnv Cum Red Pri £1 = 100@ Particled Croup PLC Cum Red Pri 2010/13 ET = 94 4
Parktand Taxtile(Hidgs) PLC Ord 25p = 282
Paterson Zochons PLC 10% Cum Pri ET = 21 - 94 4

107
Pavilion Leisure Hidgs PLC Ord 10p = 134
Pearson PLC 5.675% Uns Ln Stk 8993 = 275 (14Au89)
6.975% Uns Ln Stk 8893 = 275
(14Au89)
8.25% Uns Ln Stk 8893 = 289%
(16Au89) (16Au89) 9.525% Uns Ln Stk 88/93 - £90% (15Au89)

9.55% Unit of 150 8093 - 150% (150 89)
Pergamon AGB PLC 7.5p Crw Subord Ln Stt 2002 2%p - 48 9 9 9 Plessey Co PLC ADR (10:1) - \$44.05 (110 89)
71% Deb Stt 92/97 - 263 9 Porter Chacbum PLC 8% Crw Cum Red Pri 1993 21 - 170 9 Pressac Hotdings PLC 10.5% Cum Pri 21 - 100 (15Au89) Queens Moat Houses PLC New 10 %% 1st Mrg Deb Stt 2020 - 295% % Quicks Group PLC 10% Cum Pri 21 -1000 PLC 10% Cum Pri 21 -

1009

REA.Hidge PLC9% Cum Pri 21 = 809

RPH Li8% Cum Pri 27 ~ 77 (15Au89)

8% Deb Six 9296 = 284% (16Au89)

4% Uns Li Six 200409 = 7459 6% Uns Ln Stk 99/2004 - 288%
Recal Electrorica PLCADR (2:1) - 55%
Racal Telecom PLCADR (10:1) - 554,55
Ranks Hovis McDougel PLC6% Cum "A"
Pri E1 - 55 (14A89)
6% Cum "B" Pri E1 - 55 (15A489)

on: Cum "B" Prf £1 = \$5 (15Au89) 6% Uns Ln Stx 90/94 = £88 9% Uns Ln Stx 61/95 = £93% % Ransomes Sime & Jefferies PLC5% % Cum Prf £1 = \$6 (14Au89) Ratners Group PLCADR (3:1) = \$12.23 (14Au89) 8.255 Crv Cum Non-Vig Red Prf 20p = 99 100 99 100
Reedicut International PLC9%% Uns Ln Sik 88/93 - £89 (14Au\$9)
Reckitt & Colman PLC5% Cum Pri £1 -52 (14Au\$9)
Reed International PLC7% Cum Pri £1 -

Reed International PLC7% Cum Prf £1 = 77 (14Au89)
Renold PLC9% 1st Deb Sik 90/95 = £79% 80% 1% (16Au89)
7%% 2nd Deb Sik 92/97 = £93 (11Au89)
Rezmore PLC13%(Net)Cnv Cum Red Prf(\$1/32) £1 - 185 (15Au89)
Richards PLC4% Cum Prid £1 - 36® 51% Cum Prid 75p - 36® 71% Deb Sik 67/82 - £88 (14Au89)
Rockware Group PLC7.25% Cnv Cum Red Pri £1 - 97
Reprior PLC11%% Cum Prf £1 - 116 22% (16Au89)
Rocky Group PLC6% Uns Ln Sik 93/98 -

(16Au69) Rugby Group PLC6% Uns Ln Stk 93/98 — 272 (16Au69) 8 & U Stores PLCWarrants to sub for Ord - 40 SD-Scicon PLC6.5% Cnv Cum Red Prf £1 - 121 Warrants to sub for Ord - 12 satch & Seatchi Co PLCADR (3:1) -

\$15.95 6% Cnv Uns Ln Stk 2010 - 283 (16Au89) einsbury(J) PLC6% krd Uns Ln Stk -£78 (14Au89) Semeoury(J) PLCerk and une Lin Six - 278 (14Au89)
Scantronic Hidge PLC7.25p (Net) Criv Cum Red PT 20p - 123 (14Au89)
Scape Group PLC6* Une Lin Six 80/93 - 288 (16Au89)
Scott & Robertson PLC7*/% Cum Criv Red PT 21 - 135 43
Sears PLC7*/% Cum Ptf 21 - 71 (16Au89)

Sears PLC7%** Cum Prf £1 = 71
(16Au89)
7% 'A' Cum Prf £1 = 68
7% 'A' Cum Prf £1 = 68
7% 'Uns Ln Sit \$2/97 = 265
Securior Group PLC6% 'Cum Prg Prf £1
= £111 (14Au89)
Sidisw Group PLC7%** Uns Ln Sit
2003/08 = 268
Simon Engineering PLC6%* Cum Prf £1 =
54 (14Au89)
Sindsall (William) PLC5.825% Cnv Cum Red
Prf £1 = 123 (15Au89)
800 Group PLC6%** Uns Ln Sit 87/82 =
£91 (15Au89)
80% Red Deb Sit 87/82 = 292 % %
(15Au89)
8% Red Deb Sit 87/82 = 292 % %

(15Au89) 5% Red Uns Ln Sik - 248 milhKine Beechem PLCADR (5:1) -5%% Red Uns Ln Stc - 248
Smithidine Beecham PLC/Smithidine ADR
548%
Smithidine Beecham PLC/Smithidine ADR
(1:1) - \$41,853604 % 89 (15Au89)
Smiths Industries PLC111% Deb Stc
95/2000 - 297
Smurit(Jefferson)Group PLC 10%% Uns
Ln Stc 75/85 - 1256 (15Au89)
9% Cnv Uns Ln Nn - 22104 21949
Sporati(C.A.(Special Agency)Ord 50p 215.3 (15Au89)
Spong Hidge PLCCnv Cum Red Prf 20p 68 (14Au89)
Spong Hidge PLCCnv Cum Red Prf 20p 68 (14Au89)
Spong Hidge PLCCnv Cum Red Prf 20p 68 (14Au89)
Spong Hidge PLCCnv Cum Red Prf 20p 68 (14Au89)
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Spong Hidge PLCCnv Cum Red Prf 20p 68 (14Au89)
Spong Hidge PLCCnv Cum Red Prf 20p 68 (14Au89)

(15Au69) Stag Furniture Hidgs PLC11% Cum Pri 21 - 168 - 108
Staveley Industries PLC7%% Uns Ln Stk 88/93 - 287% (16Au89)
Sterfing Industries PLC7%% Uns Ln Stk 88/93 - 287% (16Au89)
Sterfing Industries PLC9% Crv Uns Ln Stk 1992 - 2103 (16Au89)
Sutchtle.Spealman PLCWarrants to sub for Ord - 107 (15Au89)
91% Red Cum PT 21 - 99%
Swent, John & Sons PLCOrd 25p - 540 (11Au89)
Symonds Engineering PLC0rd 5s - 38

(11AU89) Symonds Engineering PLCOrd 5p - 38 (16AU89) T & N PLC 10.1% Mitg Deb Stk 90/95 -285 (144,86) 11% Mg Deb Sk 55/2000 - £101@ 3mac PLCB/M Deb Sk 69/94 - £85% 7% Mg Deb Sk 65/90 - £95% % (154,85) (13AU69)
Tate & Lyle PLC6%% Cum Pri Sik £1 = 66

98
71/4 Uns Ln Six 85/90 - 294%
8% Uns Ln Six 2003/08 - 2800
Taylor Woodrow PLC9/% 1st Mrg Deb
8tx 2014 - 291 (15Au89)
Teltos Hidge PLCWarrents to sub for Ord
- 161 (11Au89)
Tesco PLC4% Uns Deep Disc Ln Six 2008
- £48%

THORN ENI PLCADR (1:1) - \$13-2 THORN EMI PLCADR (1:1) = \$13-2 (14-M85) (14-M85) PLC3.25% Cum Pri S1 = 73 (11-M85) PLC3.25% Cum Pri S1 = 73 (11-M85) PLC9.25% Cum Pri S1 = 73 (11-M85) PLC9.25% Cum Pri S1 (11-M85) PLC9.25% Cum Pri S1 (1990) Pri S1 (14-M85) PLC9.25% Cum Pri S1 (14-M85) S5-25% Cum Pri S1 (11-M85) S5-25% Cum P

95% Urs Ln Str 200005 - 2844 90% 10% Uns Ln Str 200406 - 296 Transport Develorment Oroup PLC8% Uns Ln Str 8398 - 287 (1 1Au88) Tricity International Hidge PLC6% One Pri Str 21 - 48 (15Au88) Trusthouse Forte PLCMbranes to sub for Ord - 122% 3 4 (16Au89) 6.25% 1st Mtg Deb Str 85/90 - 294% 10.5% Mtg Deb Str 91/96 - 299% (14Au89) (14483) 9.1% Uns In Sk 95/2000 - 192% Unigate PLC5% Uns In Sk 91/86 - 2700 81% Uns In Sk 91/86 - 179% 61% Uns In Sk 91/86 - 179% 61% Uns In Sk 91/97 - 274 (144489)

072 % URS Ln Stk \$297 - 274 (154u\$6)
Uniterer PLCACR (4:1) - 241%
55% Urs Ln Stk \$1;2006 - 251Ф
8% Urs Ln Stk \$1;2006 - 277 83 % 4
Unon international Co PLC6% Com Pri
Stk \$1 - 550
7% Cum Pri Stk \$1 - 70 (154u56)
Unisys CorpCom Stk \$5 - \$21,776
(154u56) (15Au89) United Biscurs(19dgs) PLC8% Deb Stk 93:98 - 193 7 93/98 - EBS 7 United Scientific Hidgs PLC5.5% Cnv Cum Non-Vity Red Pri 21 - 71© Upton(E.)& Sons PLCOrd 25p - 65 (16Au99) Varity Hidgs Ld7%% Deb Sex 87/92 - 253 Vickers PLC Ptd 5% Std(Non-Cura) - 250

(11Au69) 5% Cum(Tex Free To 30p)Pri Stk £1 = 68 70 (14Au89) 68 70 (14Au887) MPP Group Pic Warrants to sub for Ord - 163% 7 8 70 0,25p (Net) Criv Com Red Prf 10p - 120 20 1
Wagon Industrial Hidgs PLC7.25p (Net)
Cev Pig Pif 10p - 117
Walser & Staff Hidgs PLC0rd Sp - 183
WalserLOJ & Co PLC0rd 25p - 475
(15Au88)
WalserLineas) PLC0rd 5p - 60
(14Au89)
Water Holling L48Val O - Balley Warner Holidays Ld&X% Cum Prf 21 = 60 Verner-Lambert CoCord Sitk \$7 -- \$10.52085 (154089)
Vateriord Gless(World Wedgwood PLC
Units (1 WFG Ord #100.05 & 1 WFW Inc

= 77. 6
warmoughspladgs) PLC8%% Com Red Prf
2006 21 = 91%Φ
Waverley Cameron PLC7.5p (Net) Cnv
Curn Rad Prf 5p = 85Φ
Welr Group PLC0%% Deb Srt 85/90 =
PSSS. 10% Deb Sik 88/94 - 289 (11/4/89) /wmbley PLC7.5% Chy Uns Ln Sik 1999 7963 – nd Group PLCWarrants to sub for

Westland Group PLC Warrants to sub for Ord - 98 7/5% Chr Curn Pri 21 = 170Ф 7/5% Chr Curn Pri 21 = 170Ф 7/5% Chr Curn Pri 21 = 285 (11Au89) Without PLC 4.1% Curn Pri 21 - 58% (11Au89) PLS.75% Chr Curn Red 2nd Pri 2000 £1 = 103 (11Au89) Youghal Curners (14Au89) Youghal Curners (14Au89) Youghal Curners (14Au89) 8% Curn Pri Irit - 200.20Ф p 18Ф 7/ule Curn Pc CP III - 200.20Ф p 18Ф 7/ule Curn Pc CP III - 200.20Ф p 18Ф 7/ule Curn Pc CP III - 200.20Ф p 18Ф 7/ule Curn Pc CP III - 200.20Ф p 18Ф 7/ule Curn Pc CP III - 200.20Ф p 18Ф 7/ule Curn Pc CP III - 200.200 21 = 111 1998-2003 £1 = 111

Financial Trusts, Land, etc. No. of bargains included 410 Althor Harne International PLC7% (Hel) Crev Com Rad Pri £1 = 101 (14Au89) Australian Agriculturas Co LdSA 0.50 = Antonia Con Regional Co LdSh usanalism Agricultural Co LdSh usanalism Agricultural Co LdSh usanalism (18Au89)
Authority Investments PLC8% Cnv Uns Ln Sh 2006/11 - \$1070
Particol Investments LdPig Red Pri \$0.01 Bangkok Investments Ld Pig Fied P - \$63 (16Au89) Brotenus Arrow Hidge PLGWis To Subscribe for Ord - 40 Subscript for VRI = 40 British & Commonwealth Hidge PLC10%% Uns Ln Six 2012 = £79 80% % 1% Deby Mari & General Trust PLCOrd 50p = 6-6-7

EFT Group PLCWarrants to sub for Ord -Exploration Co PLCOrd Stk 5p - 196 Epidotation Co PLCOrd Six 59 = 196 (14Au89) F. & C Enterprise Trust PLCSer 8 Waterarts to sub for Ord = 9 (14Au89) Waterarts to sub for Ord = 19 (11Au89) 11.125% Severally Grd Deb Six 2016 = 9105%

11.125% Severally Grid Deb Six 2016 = £105%
First National Finance Coop PLC10%
Subord Uns Lin Six 1992 = £92®
Foreign & Col Reserve Asset Fund Lid
PhyRedPri \$0.05 CI MRUE Equition |
£10.01 10.41 (14Au69)
Grecce Fund LidShs \$0.01 (IDRs to 8r) = \$950 1050 (15Au89)
Guinness Flight (Bobal Strategy Fd Ptg
Red Pri \$0.01 (Managed Currency Fund) = \$32.59®
Haghcroft Investment Trust PLC Ord 25p = 270 Holborn Custoncy Fund LdPtg Red Prf 50.01 Managed(Starting She) = £1.364 (15Auss)

(15Au89) IBt Gobel Funds Ld Ptg Red Ptf \$0.01(Managed Shs) - 216.21 (15Au89) Inchcape PLC65/76 Cum Red Ptf 90/82 21 Inchcapé PLC5%% Cum Red Prf 90/82 !

— 83 (14A/85)
6% Uns Ln Six 87/90 — £97%
10% % Uns Ln Six 90/95 — £96Ф
12%% Uns Ln Six 90/95 — £102%
International City Hidga PLC9% % Cnv
Cxxx Red Prf £1 — 75 (15A/85)
Intl Stock Exchange of URG/Rep of IrLd
74% Meg Deb Six 90/95 — £81 2%
(16A/85)

71% Mtg Dob Six 90/95 - £81 2% (16Au89)
Indias in Alles Fund Sha of NPV(Yen Portfolic) - £1.017 (11Au89)
Korea-Europe Fund LidSha 50.10 - \$68 (15Au89)
She(10R to Br) \$0.10 (Cpn 2) - £28750
London 0 European Group Ld 10%% Uns
Ln Stx 1993 - £32 (14Au89)
MIM Britannia Jersey (Six Fund Ld Ptg Red Pri 1p - 17.78 .76
Mezzarine Capitalkine Tat 2001 PLC ing
Six £1 - 172
NM Portfolio Solection Fund Ld Ptg Pri
\$0.01 (Gold Fund Sha) - 73.9 (14Au89)
NMC Group PLCWarrants to sub for Sha
- 108 (15Au89)

NMC Group PLCWarrants to sub for Shis
– 106 (15Au89)
National Home Loans Hidgs PLCOrd 15p
– 110 7 6 21 2
7.5% orn Prf ET – 68
Old Court International Reserves LdPtg
Red Prf \$0.01(Shering She) –
£25.811989 (16Au89)
Openio Growth Fund LdPtg Red Prf \$0.01
(Reg) – \$9% 9% (15Au89)
Practical Investment Co PLCOrd 10p = 97
(15Au89)

R Worldwide Strategy Fund Sicav She NPV (North America Fund) - 134.63 NPV (North America Fund) — 134.83 (114.089)
Siss NPV (Multi-Currency Bond Fund) — 118.12 (144.089)
Thai investment Fund Ld Ptg Red Ptd \$0.01 — \$14250\(\text{M}\) Thai investment Fund Ld Ptg Red Ptd \$0.01 (10Pt's to 8t) — \$14% 14%
Thornton Pacific Investment Fund SA21 — \$11.57 (154.089)
SI PLC 7%% "A" Deb Sit 89/92 — 298 7
7%% "A" Deb Sit 91/94 — \$91.44\(\text{M}\) 11% Uns Ln Sit 1990 — 298%
11% Uns Ln Sit 1990 — 298%
12% Uns Ln Sit 1990 — 298%
Wintibread Investment Co PLC 6%% Deb Sit 87/92 — 287% & \$154.089)

Insurance No. of bergains included 710

Alexander & Alexander Services Inc Ste of Class C Com Sk \$1 - 2174 (18Ae8)
Commercial Union Assurance Co PLC 5%
Cum Red Prt 89/2009 £1 - 52 (18Ae8)
Ecclesiastical Hidge PLC 13% Deb Sk Ecclesistical Hidgs PLC1376 Unio Col. 2018 - £114 General Acc Pro&Life Asse Corp PLC 75% Unis Ln Sk 57/92 - £89% 75% Unis Ln Sk 92/97 - £94% 5% General AssurancePL Guardian RoyalExchange AssurancePLC 7% Una Ln Stk 86/91 - 290 Investment Trusts

No. of bargains included 783

Abtrust New Dawn Inv Trust PLC Ord 25p - 126 - 120

Warrants to sub for Ord - 67

Aliance Yrust PLC5% Prt Stc - 555

American Trust PLC5% Prt Stc - 555

American Trust PLC5% Cum Prt Stc - 253 (16Au89)

Australia Investment Trust PLC Warrants to sub for Ord - 176

Warrants to sub for Ord - 696 96

British Assets Trust PLC Equities Index ULS 2005 10p - 119% (15Au89)

British Empire Sec & General Trust 10%%

Deb Stc 2011 - 253% 4 (14Au89)

British Investment Trust PLC5%% Prt

Se(Cum) - 1580-90 British Richey Patient Ase Inv TatQrd £1 -300 300 (16Au89) C.S.C.Investment Trust PLCOrd 250 -Capital Geering Trust PLCOrd 25p - 520 5 30 40 50 70 City of Oxford Investment Trest PLC Ord Inc 5p - 60

inc 5p - 05
Decise investment Trust PLCWis to
Subscribe for 1 Inc & 1 Cap - 05
EPM Dragon Trust PLCWisments to subfor Ord - 7%
Edinburgh investment Trust PLCTR% Deb Establish investment Trust PLC7%* Stx 1995 - 205% 11%% Deb 30x 2014 - 2196% 11%% Deb 58; 2014 - E1063a (15Au69) F.A.C. Eurotrust PLC5K% Grw Uns Ln Skr 1986 - E202 (15Au69) F.B.C. Pacific trivestrent Frust PLC Warranes to suio for Ord - 123 F.A.C. Smaller Companies PLC6% Deb 50; 85/90 - 10/6 (15Au69) First Throgmorton Co PLC7-20% Chr Uns Ln Skr 2003 - 20/6 (15Au69) First Scottish American Trust PLC11.5%

Deb St. 2010 - 2106% Deb SR 2010 - 2105%
First Spenish for Trusk PLOWerrants to
sub for Ord - 420 80
Foreign 0 Cot Invest Trust PLC6K% Deb
Six 67/52 - 256 ft (16Au69)
71/% Deb Six 89/94 - 286% 7 K% Deb his numerican Securities PLC2ero Dividend Pri 25p = 60% Y Jermone European Inv Treat PLC3Y/% Deb 514 91/95 = 291% (16/489) ertmore information&Pi Cust Pri Sik + £100

Germore informationalini Trust PLGSNN.
Cum Pri Sik ~ \$100
Garbrore Velus investments PLCZero
Dividend Pri 10p = 54%
German Smaller Co's lov Trust PLC
Werman Smaller Co's lov Trust PLC
Six Do Cord = 58%
Globe lovestment Trust PLC 10% Deb Six
2010 - 297%
11% Cow Uns Ln Six 90/95 - 2468
(16Au66)
Goveth Strangic lov Trust PLC9% Deb
Six 2017 - 594% % % % (11Au66)
11%% Deb Six 2014 - 2106%
Investors Capital Trust PLC5% Cum Pri
Six - 257 (11Au66)
Tix - 250 (11Au66)
Tix - 250 (11Au66)
Leveraged Opportunity Trust PLC-M Cum
Pri Six - 250 (11Au66)
Leveraged Opportunity Trust PLC-M
250/With Wisik4Ord&TW0 (LA-16Ae6)
London & St Leverage Investment PLC
Ord 5p - 110 (16Au66)
Murray intermetional Trust PLC39 Cum
Pri \$1 - 50 (11Au66)
Murray intermetional Trust PLC39 Cum
Pri \$1 - 50 (16Au66)
Murray intermetional Trust PLC39 Cum
Pri \$1 - 50 (16Au66)
Murray intermetional Trust PLC39 Cum
Pri \$1 - 50 (16Au66)
Murray intermetional Trust PLC39 Cum
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Murray intermetional Trust PLC39 Cum
Pri \$1 - 50 (16Au66)
Murray intermetional Trust PLC39 Cum
Pri \$1 - 50 (16Au66)

North American Cass Invest Trust Ld Ord .

North American Cass Invest Trust PLC Units (Fp/LA-22/8/99) - 500 7

Parrida Group PLC Warrants to #49 for Ord - 1 (15A489) ioottals Eastern inv T 5Au69) am icv Trust PLC9%% Deb Soottish Eastern for Trust PLC9K% Deb Ste 2020 - 193% (14Au59) Sootish Mortgage & Trust PLC6-12% Stepped for Deb Sek 2026 - 1101 (11Au59) 275-1476 Stepped Interest Deb Sek 2020

8%-14% Supples reserved for 124% Scottish National Trust PLC 6% Cum Pri \$1 - 85 (18Au69) 10% Deb Six 2011 - 294% (11Au69) Securities Trust of Scottish PLC7% Deb 8x 88/83 - 285% (16Au69) Shires Investment PLCWarrants to sub for Six Serve Street PLC Water Serve Cod - 57
TP City of London Trust PLC 10% % Deb Six 2020 - £34 (154m65) 115% Deb Six 2014 - £101 (144m65) Throgmorton Trust PLC 12 5/16% Deb Six 2010 - £110
Lindown Investment Co PLC Ord 25p -

2010 - 2.10 de la company Co PLC Ord 25p - 418 (14Au88) Vantage Securities PLC Warrants to sub-for Ord - 112 (14Au88) Witten Investment Co PLC 8% Deb 584 85/96 Deb 584 2018 ~ 283% JE (16Au88) Unit Trusts No. of bargains looked 11

M.& G. American Smaller Co's Fund Accum Units - 66.8 (14Au66) M.& G.Cokt & General Funding Units -Accum Units - 52% (11Au60) M.S. G. International Income Funding Units Mines - Miscellaneous No. of bergains included 213

Amalgamente financial lives PLCWarrante
to sub for Sha = 5½
Anglo United PLCCmv Red Prf 10p = 100
Assarco InaCom Six NPV = \$35%

Batchi Mining PLC10p = 50 ½ 3,4 \$
(15Au69)
Borsalana RST LdPu2 = 40 (16Au60)

Borsalana RST LdPu2 = 40 (16Au60) R0.05 (Br) (Cpn 83) = \$14.7 14.73 p 952 Europe Minerals Group PLCOrd 2p - 11& Willoughly's Consolidated PLCPId 7p - 57 66 100 - 410 10 Ont K10 = 1850

Mines - South African Barnato Exploration LdOrd R0.01 - 48 Coronation Syndicate LdR0.25 - 17

Coronation Syndicate Ld R0.25 = 17 (15Au89)
General Mining Union Corporation 8.5%
Var Comp City Cum Prf R0.40 = £11 (15Au89)
12.5% Uns Subord Comp City
Debs@trd; R27 = £12
Lebows Plestrum Mines LdOrd R0.01 = 110 30 (11Au89)
Lindum Reets Gold Mining Co LdOrd R0.01 = 25 (11Au89)
New Central Witwesters and Arees Ld
R0.50 = £5% (15Au89) Oil No. of bargains included 1821

British Petroleum Co PLC9% Cum 2nd Pri £1 - 67 (14Au89) Borneh Oil PLC7%% Cum Red Pri Sik £1 -72 - 72 8% Cum Pri Stk £1 - 77 (11Au89) ELF UK PLC12K% Uns Ln Sek 1991(Reg) ELF.UK PLC12X% Uns Ln Sik 1391(Reg)
- 2100 (144483)
Euron CorpSits of Cern Sit \$10 - 222K
LASMO PLC107% Deb Sik 2009 - 235K
% (164489)
Mobil CorpSits of Corn Sit \$2 - \$53XΦ
Richmond Oli & Gas PLCOrd 10p - 64 0 8
Shell Transport&TractingCo PLCOrd Sits
(8) 250(Cpn 182) - 438
8 % 1st PrifCumpt - 54
Texasco Intermetional Financial CorpSit
Sity's Crv Gid Ln Sit \$1/99 - £105Φ
Zapatal CorpCorn Sit \$0.25, - 21.7Φ

Property No. of bargains-included 767 PTOPETTY No. of bargains-included787
Alled London Properties PLC 10% Curs
Pri El – 166 (11Au89)
8%% Crv Une Ln Str 1999 – 2510
(11Au89)
8%% Crv Une Ln Str 1999 – 2510
(11Au89)
Allest London Properties PLC7%% 1st
Mitg Deb Str 90/95 – 255%
Ascia Property Hoge PLC New 10
5/16% istMg0bStc2011(Fpt.A-25/8/99)
- 532% (15Au89)
Bradford Property Trust PLC 10%% Curs
Pri El – 1140
Bridon Estate PLC9% 1st Mitg Deb Str
82/97 - 257% % 8 (1SAu89)
Capital & Counties PLC9%% 1st Mitg Deb
Str 2027 - 257% % 19%
9%% Uns Ld Str 91/96 – 259%
(16Au89)
Chartwood Allesnoe Hidgs Ld8%% 1st Mita

7% 1st Mg Deb 8tk 81/95 = 255 % 9% 1st Mg Deb 8tk 96/2001 = 290% 1 (15Au89) (15Au89) 6%% Una La Sik 92/97 **- 28**0% 6%% Uns Lii Sit S2797 - Z5078 (15A889) 31% Uns Lii Sit 92997 - Z57 8% 9 90 Law Land PLC8%% 1st Mig Deb Sit 8984 - Z769 London&Prov Shop Centres(Nidge)PLC 10% 1st Mig Deb Sit 2228 - Z53% Landon Securities PLC5%% Cum Pri 27 -93% 100% 100% MEPC PLC6%% Cum Pri Sit 21 - 44 (11Au89)

(11Au89) 9%% 1st Mig Deb Sik 97/2002 -- 294 %

9 X 10K% 1st Mig Deb Sik 2024 - 2104% K % (11Au69) 12% 1st Mig Deb Sik 2017 - 2112%

8% Une Lis Six 200006 - \$78 10%% Une Lis Six 2032 - \$81% & 74 8%% Cre Une Lis Six 98x2000 - \$168 Merica Intermetional Properties Ld Com Red Cre Prt \$1 - 559 > 0 0 Property Holdings Latex % "sat Mrg. Deb Six 88/64 - \$84% 7%% 134 Mig Deb Six 51x85 - \$22% Peet Hidga PLG 10% Cum Mon-Vig Prt \$1 - 100 1% u 17: 176-151 http: Deb SM 2011 - 192 fe w 27:76 1st Mag Deb Str 2011 -12% % South East Lobil % Una Lin Sak 87/87

Peel South East Edit 74 Una Lin Set of An 182 125% 1st May Dath Set 2015/20 = 2103/40 1140 Properly May 8 Inv Trust PLC 7% 1st May Dath Set 90/96 ~ EM (16Au80) Properly May 8 Inv Trust PLC 7% 1st May Dath Set 90/96 ~ EM (16Au80) Properly Greyout Emission PLC 71% 1st May Dath Set 2014 = £101 % % (16Au80) Routh & Tompides Group PLC 7.5% Cor Cum Med Pri ET = 145 (11Au80) South Memoraphism Properly PLC 10 % 1st May Dath Set 2018 ~ £344 (16Au80) Stock Essates PLC 71% for Dath Set 21 = 10300 Town Centre Southers PLC 10 % 1st November 18 Control Pack Colon Peel 71 2014 21 = 10300 Town Centre Southers PLC 10 % 1st 21 - 1039 Town Centre Sections PLC 101/14 1st Ang Deb Sie, 2021 - 13415 (14A489) 9% City Una Ln Sie, 96/2000 - 1247 Plantations -

No. of bergains included 16 Anglo-Sasters Plantations PLCWarrants to sub tor Ord – 40 S Shiftington Corporation PLC Did 26p – 84 (157469) Minaton Corporation PLC D44 28p — 84 (155468) Warmada to sub for O14 — 42 (156468) 21% Cum Red Pri E1 — 32 9% Criv Una Lis Sik 1989 — 2188% (1 (Au60) propidered Plentations Be During Planations Laters Com Pri 21 - 65 (15Au89) Me PLCOrd 10p - 140 (1 1A089) tre Rubber Pleasettone PLCSIK RID -Incorporate Paraminos PLCOrd 10p - 33. Visiting Doors The Hidge PLOOM ET ~ 780 (11/4/86)

RAINAYS No. of berguine lockuded11 Onterio & Cluebec Patheny CoSts Form Deb Striget Card by C.P.) – S40 . Quebro Central Fallway Co tat Mig Deb Strigen by C.P.) – ES0

Shipping No. of bergeins included 217 Bergssen d-y AS 27 Non Vig Sha NKS -NG317 % 26% 30 30 NGC PLCVis Vig Ord Sp - 250 2 2 3 4 5 8 Control of Columns Steam New Co.5%. th to purchase Did Six - 1900

Utilities No. of bargains included American Information Tech. Corp8ne of Cost Sit \$1 - \$68 (14Av68) Cultomia Greegy Co Incide of Cost Sit 80.0875 - 25 (15Av68) OTE Corporation Cost Sit \$0.10 -350, 25000000 Co Light One E1 - 476 30 (164x168) birchester Ship Canal Co 514 Parp Prf E2 Hamphester Ship Conel Co5% Petp Pri 1 - E141/6 Algreey Dodg, & Herbour Co55% Red Data Sat 9430 - £70, (144,086) US MISST Incisins of Com Sat of RPV -\$45.2

Water Works No. of bergains loctuded4

ournemouth & District Water Co 10%% Red Deb Six 1986 – 296% (11Au89) 1214% Red Deb Set 1986 – 2106 (14/w68) rised Waterworks Co 4.9%(Francy)/14/accyCone Ord Silk = 2540 (14/ku68) STREAM VERNICOS DE ORD SIK = 2840
(14Au88)
(14Au88)
Carefridge Water Co.3.5%(Proty 8%(Cons.
Ord Six = 21350 (15Au88)
Chesser Water-vortor Do.4.2%(Proty 8%
MangOrd Six = 21200
Coins Valley, Water Co.2.8%(Proty 4%)(Coins.
Pri Six = 21200 (11Au88)
East Anglian Water Co.2.8%(Proty 4%)(Coins.
Pri Six = 2000 (11Au88)
Six (Apri & Detodor) = 280 (14Au89)
East Moroestershire Water-vortor Co.7%
Red Debt Six 89401 = 281% %
East-Source Water-vortor Co.27%, Fed Debt Six 89401 = 281% %
East-Source Water-vortor Co.27%, Fed Debt Six 86407 = 2904(14Au88)
Mot Kent Inchesse PSC Wernspie (E. pub)
to Q. Crd = 90 (14Au88)
North Surrey Water Co.7.5% Fed Debt Six 9183 = 289% (14Au89)
71% Red Debt Six 9183 = 287
(14Au89)
Portenouth Water Co.3.8%(Fighty 8%)Ord
Six = 21050 (15Au88)

SBK - £1050 (15AU68) 10%% Red Deb SBK 1995 - £95% South Stationdeshier Waterworks Co
4.9%(Finity 7%)Ord Stx Clees C - 2800'
(14Au89)
7% Red Deb Stx 88780 - 294 (14Au89)
Sunderland & South Shieds Weier Co
7%% Red Deb Stx 92/94 - E840'
Sulton District Weier Co.4.3%(Finity
7%)Ord Stx - 22000 (15Au89)
York Waterworks Co Cons Ord Stx
4.9%(Finity 7% Max) - 21320 (14Au89)

USM Appendix Ambaseedor Security Group PLCOrd Sp — 40 (164.08).
Amthit Inscreptional PLC8% Ctw Uns Ld Six 1996 — 256 (154.08).
BLP Group PLC8p (Neg Crw Cura Red Pri 10p — 53 (144.08).
Bommore International PLCOrd 10p — 1128 Chystion PLC8 & American

1120 Cityrision PLC6.5%(NeQ Cnv Cum Red Pri 21 - 227 Continental Microwave (Hidgs) PLC6.0% Cnv Cum Red Pri 2005 21 - 95 (14Au89) Corton Beach PLC New7-50(NeQCoCmRdPI- 0% 1 (11Au89) Darby Group PLC Ord 5p - 147 (15Au89) Devey Warren Hidgs PLCVer Ratis Cnv Uns Li 5kt 1965 - 292 Dismord Group Hotilings PLC Ord 5p - 90 Dismord Group Retings PLC Ord 5p - 90 Dismond Group Holdings PLCOrd 5p - 90 (16Au66) Fergabrook Group PLC12% Cny Una Ld

Six 92/97 - \$75 (15/4mile)
Forwell Group P.C.Ord (10p - 66)
Clibb New P.C.C.To (20p - 310 (15/4mile)
Happings Brewley P.L.C.A. Lies vig Ord
25p - £11 (11/4mile)
1,5 Crewlet S.A. She FPIQ 36 - 176 à 2 60 10p = 117
Wyselin Garden Centres PLC#5% Men
Con Cun Red Pri 21 - 1es (1 Auffl)
Nes-Vision PLCOrd MD0.08 - IP1.08

NOS-MAIN PLOYS MEMOR AT LAND PARTIES OF PASS 5 6
YOR THAT ORCUP PLOYS CHIRD CHIR CHIR PAY 200 ~ 66 (1646)
YORKSHIP REVIO NEWOCK PLOOM 15p - 257 8 60 50 2 3 6 7 The Third Market Appendix No. of hargains included 108

Deckerhism Group PLC Warrands to sub Secretarium Crossp P.C. March 1964 - 42 (16As) 100 - 20 (15As) 100 - 20 (15As) 100 - 20 (15As) 100 - 20 (15As)

MALL

dille

132 5 Poddington PLCOrd 5p - \$5% 7 Rule 535(2) African Gold PLCOrd 10 - 76 14 0 145 Ann Street Brownies Co LdOrd St. .. e Nidge PLCOrd 10p - 50 085

Argenti Roomali Club Liford E1 - E17004 Sherryfurar BLCOrd In - E003 (15Au89) Shepatha Computer Systems PLCOrd Ip - E0010 - TO.010
Chilmide Internde Come (TV) LdOrd Sp - 10% (14Au89)
Content PLECON 1p - TOX (15Au89)
Content PLECON 1p - TOX (15Au89)
Content Trings LdOrd 1p - TO.94
Content Trings Labor 10p - E2.96 5
(11Au89)
Cont Valley Light Relievy LdOrd £1 - E3.8
(14Au89)
Control (14Au89)
Control (14Au89) Serit Valley Light Relivery LiGCrd 21 - E3.8
(144-165)
Dolprin everyseional LiGCrd 10p - E0.27
(114-165)
Bouley Capinal for Strustry LiGCrd 80p - E0.57 (114-165)
Princes Lend & Gaserell Hogs PLCCrd 5p - E0.05 (114-165)
Products Place Hogs PLCCrd Red Com Pri 26p - 20.3 (154-165)
Genoar Exprovejora PLCCrd 10p - E0.71
(144-165)
Hersely Eserc PLCCrd 5p - 20.574 0.584
(144-165)
Le Piche's Stores LiGCrd 21 - 53.86
(144-165)
Le Piche's Stores LiGCrd 21 - 53.86
(144-165)
Hersely Eserc PLCCrd 5p - 20.574 0.584
(144-165)
Le Piche's Stores LiGCrd 21 - 53.86
(144-167)
Hersely Eserc PLCCrd 5p - 20.574 0.584
(144-167)
Hersely Eserc PLCCrd 5p - 20.574 0.584
(144-167)
Hersely Eserc PLCCrd 5p - 20.575 0.584
(144-167)
Hersely Eserc PLCCrd 5p - 20.586
(144-167)
Hersely Eserc PLCCrd 10p - 20.05
Te Crd 10p - 20.07 (164-167)
Hersely Cross PLCCrd 5p - 20.08
Hersely Crd 10p - 20.07 (164-167)
Hersely Crd 10p - 20.07 (164-167)
Hersely Crd 10p - 20.08

riett Hidge PLCOrd 10% - T1.894 New Purp Paguicourse PLCOrd 2700 -West Engloration PLCOrd 20p - 27 (15Ausp) Pagamount PLCOrd 2.5c - 20,195 Rangers Pootbell Club PLC Ord 21 - 285 (16Aust) Panders Footmat Club PLCON 21 - 100 (18408)
Shapbard Nearns PLC'A" Old #1 - 10% (2.8)
Southern Menispapers PLCON 21 - 13.35
Sum Oil Richalt LidOll Florally Six Units 1p - 20.36
Tadpole Technology PLCON 10p - 21.2
Thresise(Denielp Co PLCON 32p - 22.43 2.45 (15.6489)
Westshis Lid'A" Non-Y Ord 25p - 25.3
(11Audit)

RULE 536 (4) (a) Bargaina marked in securities where principle market is outside the UK and Republic of Ireland, Quotation has not been granted in

London and dealings recorded to the Official List. Amoni Exploration 92 254 (16.8)
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Citius Resources ASO 259 (14.8)
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(16.8)
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Moqui Martin Gold Mines A\$0,502 (14.8)
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Palabora Mining \$14.0
Regal Hotels (hidgs) 13
Regal Mining 2.50.04756 (16.8)
Selangur Cocomus 38, MS2.4 (16.8)
Singapore Land £4.05.4,2846S13,2726
Sity Line Explorer \$2.05
Siteloc (18.8) A: Com £12.550446 (15.8)
Singapore & Websier (nc \$45.56
Target Resources 20
Winited Overseas Land \$32.60559,2.6233
(15.8)
Victoria Petroleum 5.5,450.119 (15.8)
Victoria Petroteúm 5.5.ASO.1.19
Westfield Miserals 536 (11.8)
Windsor Ministral Corp 50.4 (11.8)
Windsor Resource: ASO.099 (15.8)
Wooltru Grd 54.756
Wyle Laboratories 54.875 (15.8)

By Permission of the Stock Exchange Co

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BASE METALS

The Financial Times proposes to publish this survey on:

2nd October 1989

For a full editorial synopsis and advertisement details, please contact:

> Edward Macquisten on 01-873 3300

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Number One Southwark Bridge London SEI 9HL

FINANCIAL TIMES

مِلَدًا مِنْ الْأَصِلَ

LONDON STOCK EXCHANGE

The FT-SE Index ended the

session with a net gain on the day of 15.1 points, closing com-

fortably above the previous

1989 peak of 2,360.4 reached last week. Over the week, the

Footsie has put on 20.9 points.

The all time high of 2,443.4,

shire which rose 11 to 384p.

the year of 342p.

late casualty was Wardle Storeys, down 9 at a low for

Boots put in a strong perfor-

mance, rising 7 to 295p and buoyed by the presence in the market of one large buyer.

Dealers suggested it may have been Mercury Asset Manage-ment (MAM) adding to its 10

per cent stake, a sign, they said, that some institutions are

beginning to view the current hid for Ward White in a more favourable light. MAM is Boots biggest shareholder.

The market is increasingly

of the opinion that Boots will succeed with its 442p a share offer. Ward White ordinary

closed a penny better at 443p in little trade (Boots has 29.9 per

cent of the ordinary), but 14m

of the preference changed

hands at 152p (Boots now has 33.4 per cent of these).

in recent sessions, traded firmly on a broker's recom-

mendation, the shares adding 3

at 137p on turnover of 2m. Mr John Williams at Citicorp

Scrimgeour Vickers has pub-

lished a buy note on the Store-

house. With hopes of a leveraged bid virtually dead, and

disastrous profits and a divi-

dend cut in prospect, potential

investors need to look further out to put into perspective the intrinsic value in Storehouse,"

wrote Mr Williams. "For those with such foresight," he continued, "the shares should prove a bargain below the net asset value of 148p."

GUS "A" shares, up 10 at 1984 to the state of 148p."

1084p, joined in the wider rise;

some dealers suggested that the company could have been buying stock during the after-

noon. GUS has permission

from its shareholders to buy in up to 15 per cent of its equity. Troubled furniture retailer

Lowndes Queensway returned from suspension after the

Body Shop put on another 6 to 470p - the stock has now

risen 69p, or 17 per cent, this

week — but some traders believe the shares have reached their peak for the short-term, "nothing ever goes up in straight line," was the

comment of one cautious mar-

on the back of an "out of the

blue" order for £2.3bn worth of

Airbuses to the parent com-

pany of Northwest Airlines of the US After having spent

most of the day languishing a penny or two weaker, the stock popped up in the last hour of trade to close 3 better on bal-ance at 710p. None of the engines in the order are to be

made by Rolls-Royce, whose

shares ended unchanged at

British Aerospace advanced

ketmaker.

Storehouse, a poor performer

New 1989 peak for a sluggish market

THE LONDON equity market rounded off the first week of the extended Summer Bank Holiday trading account with a performance of interest chiefly to the statisticians. The market continued to move ahead, a 15 point gain taking the FT-SE index to a clear new 1989 peak of 2,375.1; but about ten points of that gain represented Wellcome's massive advance on good news from the US on Retrovir, its anti-Aids drug. The broad range of the market was half-asleep, with ICI, Ples-sey and Glaxo recording share turnovers of substantially

under im. Nonetheless, yesterday's advance rounded off a highly

Account Dealing Dates Aug \$1 Sep 14 Sep 11 . Sep 25. "New Briss dealings may take place trees 5.00 cm two business days carlier

successful recovery in the equity market, which was shaken on Monday by a spate of bearish warnings from bro-kerage houses and the press, it has become clear that the shakeout owed a good deal to marketmaker's price mark-downs and very little to genu-ine selling. Once again, the

managers of the big invest-ment funds have demonstrated their rejuctance to sell shares, or to allow the market to fall

very far.
The recovery in sentiment was helped yesterday by favourable news on domestic inflation, in the form of a rise of 8.2 per cent in the annualised inflation rate in July - a shade below market forecasts as well as the figure for the previous month. Enthusiam in the equity

chalked up in the pre-Crash summer of 1987 now presents the next challenge. Share turnover, at 378.4m market was tempered at first shares through the Seaq sysby a dull performance from tem, was unexciting, even against the 544.3m of Thurs-British Government bonds, and then by a slow start in the New York stock market. However, day's session. Trading was selective, with many of the UK stocks moved ahead in the blue chip issues almost

closing minutes to finish at the day's best levels as Gilts stead- of the market's turnover was day's best levels as Gilts steadrepresented by activity in Wellcome shares after the news overnight that the US National Institutes of Allergy and Infections Diseases consider Retrovir safer and more effective than previously believed. There was further support for British Telecom after con-

sideration of the quarterly trading figures. But ICI remained a dull feature as this week's trading news from Hoechst of Germany cast shadows over the chemical indus-

Among the more speculative issues, BTR came in for a late burst of buying support.

Property owned by Ran-somes Sims' is to be developed for industrial warehousing and

the stock climbed 12 to 214p.

Busy trade was reported in Simon Engineering, down 4 at 411p, with the sellers getting the upper hand. United Biscuits enjoyed a

FINANCIAL TIMES STOCK INDICES 127,4 (9/1/35) (14/6)Fixed interest 97.69 97.72 97.63 (28/11/47) (3/1/75) (13/6)Ordinary Shere 1979.0 203.8 205.2 201.4 199.7 FT-SE 100 Share 2345.8 2326.2 1782.9 2443.4 986.S (3/1) (16/7/87) (23/7/84) (18/B) Ord. Div. Yield Earning Yid %(full) P/E Ratio(Net)(%) 9.57 9.58 9.64 12.50 9.73 SEAO Bargains(Spm) Equity Turnover(Em)† Equity Bargains† Shares Traded (ml)† 25,282 901.27 26,995 385.5 32,148 909.74 33,997 336.0 S.E. ACTIVITY Indices Aug 17 Gitt Edged Bargains 93.6 Equity Bargains N/A Equity Value N/A 5 - Osy average Gitt Edged Bargains N/A Equity Bargains N/A Equity Value N/A Equity 1924. Exclusion interests Ordinary Shara Index, Hourly changes Day's High 2084.1 Day's Low 1971.S 1 p.m. 1976.9 FT-SE. Hourty changes Day's High 2375.1 Oav's Low 2363.3 Open 2368.4 2364.8 2372.2 2372.3 2372.4 2368.3

TRADING VOLUME IN MAJOR STOCKS The following is based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 5 pm.

| Seach | Wolama Uniting | United | Stock Off Fields | Stock Off F

late spurt, jumping 11 to 402p as one marketmaker aggres-sively marked up his price. The lack of clear cause for the gains saw the price trimmed back slightly to close up 9% at 400 %p on turnover of just 1.4m William Low benefited from

talk of a broker's npgrading and which left most dealers unimpressed. However, it was enough to send the shares sharply higher to 328p, a net gain of 34. One salesman said that Sir Ron Brierley, the New Zealand entrepreneur, may have been adding to his near 10 per cent stake.

Heavy turnover in the options and the underlying was again evident in Asda, where the market is still talking of an imminent overseas bid. The supermarket group's stock closed slightly higher at 200%p; 8 im shares changed hands during the ses-

A profit warning from Avon

Rubber lopped 51 off the share price which closed at 504p. Midweek talk of a presentation next week by British Steel to Japanese investors turned into unlikely suggestions of a stakebuilder or even a bid from Tokyo. Nevertheless, the shares advanced 2 to 77p as a busy 33m shares were traded. Excitement in BTR was stimulated by a single 750,000 share purchase said to have been made by a US house. Dealers thoughts immediately turned to KKR, the US leveraged buy-ont specialist, which was

granted permission recently to take up to a 15 per cent stake in BTR. Some 3.2m shares were traded as BTR closed 14 better at 484p. BTR warrants also advanced 14, to 242p, belped by

a bear squeeze. News that USM-quoted Kun-ick is to buy the Bell-Fruit Leisure Group for £87m knocked 4 off the share price which closed at 60p. The acquisition is to be funded largely by a conditional placing of new ordinary shares and new con-vertiblepreference shares.

Shares of Western Motor, the Lada car importer, boiled over after Thursday's sharp response to news of a possible management buy-out and the close was 30 down at 788p. Buyers continued to nibble at United Newspapers in the wake of the disclosure earlier this week that Hollinger, the Canadian group controlled by Mr Conrad Black and owner of around 82 per cent of the Dally Telegraph, had raised its stake to 7.5 per cent. investors to switch out of Land Joint sgency leader WPP turned 12 lower to 747p on a report that recent acquisition Ogilvy and Mather had lost the

Among property stocks Priest Marians featured with a rise of 21 to 535p on reports that Smith New Court, the broker, had found a buyer for the 25 per cent stake held by Mr Simon Fussell, the former chairman recently ousted in a bitter boardroom battle. However, sources close to Smith New Court said that Mr Fussell had not yet decided what to do with his holding. Priest Marians shares have outperformed since Mr Fussell's departure on speculation that he would either attempt to regain control of the company via a bid, or he would sell his stake on to a potential predator.

Elsewhere in the sector a

broker's recommendation to

European Polaroid account,

Securities into Greycoat left the latter 7 better at 542p. An announcement from the board of Ewart that it had received a bid approach saw the group's shares jump 22 to 544p. Alva Investment Trnst moved to 328p as the offer from Ensign Trust became uncondi-

In an otherwise quiet oil sec-tor, Calor, Burmah and Preer all rose on a re-run of an old story. The theory is that Burmah would sell its 29.9 per cent stake in Premier to a potential hostile bidder, and use the proceeds to bid for Calor. In spite of the scepti-cism of analysts, Calor added 10 at 440p. Premier firmed 4% to 115%p while Burmah touched 679p before settling at

Other market statistics, including the FT-Actuaries Share Index, Page 9

Record price for Wellcome

Wellcome shares were ignited by the overnight news of further positive evidence from the US on the effectiveness of the company's anti-aids drug Retrovir. The price see-sawed in unknown territory as marketmakers struggled to cope with buying from longer-term investors and sell orders from

profit-takers. Mr Steve Plag and Mr Jonathan de Pass, the pharmaceutical team at BZW, celebrated the vindication of their long-standing support of the stock and said that it was "still not expensive considering the growth to come in 1991."

325

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100

J. 186

260

Mr Ian White at Kleinwort Benson said that the correct price for Wellcome was "at least 750p. there are so many bogus drug stories in the market that people are a bit sceptical when they hear a real one."
Even the pharmaceutical team at Shearson Lehman,

moted for its caution on the stock, conceded that the news would have a hig impact on prospects for the company. We have abandoned our long term underperformance sug-gestion and are looking to hold the stock," said Mr Stewart Adkins at Shearson.

Wellcome shares touched a peak of 695p before closing at 673p, a rise of 164p on the day. Volume was exceptionally high for this tightly held stock — some 16m shares changed hands — and was the most active traded option with more than 2600 contracts changing hands, worth the equivalent of 26m shares.

Much ado....

The disclosure that Ple holds a stake of 2 per cent in the equity of Ferranti, the defence electronics group, excited speculation, but only for a short time; while intrigued by the revelation, the market brushed off suggestions that the GEC/Stemens bid for Pleasey might be challenged at

With the GEC camp sitting on 29.9 per cent of Piessey's equity and the rest of the olders waiting for their 270p cash payout, there's not ce of Plessey trying to turn the table over at this stage," said one analyst. Sector specialists believe Plessey may have bought the Ferranti stake before GEC/Siemens re-bid; a defensive ploy blown out of the water when GEC increased its Plessey stake from 15 per cent

to 29.9 per cent. Ferranti shares were marked up briefly to 820 before slip-

ping back to close unchanged on the day at 80p, with 3.4m shares traded. Plessey, a touch off at 266p, saw minimal turn-over of 591,000, while GEC, although unchanged at 277p, recorded 2.9m shares.
Rothmans International

were still rising at the end of a week which has seen the shares advance 50 to 670p. Nothing new was added yesterday, the motivating influence being break-up hopes based on the control of the control o the group's assets and earning potential; the associated Dun-hill was also in good form yes-terday and posted a rise of 8 to 399p. With the US Securities and

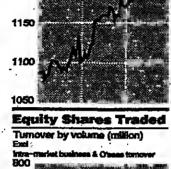
Exchange Commission looking at the Hoylake bid for BAT Industries, and a number of other regulatory hurdles to be cleared, BAT shares drifted easier. Mr Christopher Page of Citicorp Scrimgeour Vickers sees no rush for performance funds to buy but, whatever the outcome, he expects the offer to lead to a reappraisal of the "The shares look well sup-ported on yield relative grounds alone, says the esearcher. Courtaulds returned to

favour, helped by advice from Hoare Govett, and settled 8 higher at 377p. Analyst Mr Donald Anderson believes fibres and textiles profits are at their worst and that the shares are undervalued

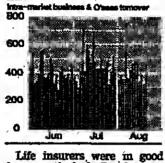
Technical factors dominated in the banks sector as a widespread shortage of stock forced marketmakers to push prices higher in search of business. Volume was modest with dealers reporting little trade at the higher levels. Midland gained the most from the squeeze, rising 10 to 362p on turnover of 25m shares, while Lloyds put on 4 at 396p and Barclays 2 at 523p. NatWest missed out, easing a penny to 340p. Abbey National were in demand again, and 10m shares had changed hands by the close. But with sellers meeting buyers at every opportunity the price stood firm at 149p.

NETW HOME (1888).
BRITISH PURIOS (177) AMERICANS (189
CAMMINANO (7) BANCE (5) BREWERS (6)
BULDINGS (4) CHESICALS (3) STORES
(4) BLECTRICALS (8) ENGINEEMENT (7)
FOODS by HOTELS (7) INDUSTRIALS (18)
ABRIANCE W'EVECT ATTACKS (5) A. O.
Cr. Rd. Cv. Pf., BTB Wriths, Bance Int'l.
Bristoy Inva., Eastern Prod., Nardingdon
Int'l., Johnson Cleaners, Mocaci Inva.

Corps, Dons, & Foreign Bonds.



FT-A All-Share Index



form, particularly Pearl where further talk of AMP adding to its large stake helped the shares advance 20 to 529p; turnover, however, was piti-fully low at less than %m shares. Among the composites Royal dropped 6 to 438p on consideration of Thursday's generally well-recieved interim

Tarmac, under pressure all week, regained some of the ground lost when the recent large seller showed reluctance to operate, but other quality building issues registered few changes. Secondary stocks showed Stanley Miller 16 higher 298p on what dealers described as speculative inter-est while USM-listed Hatfield Estates jumped 10 to 185p. Ward Holdings went into reverse after a shocking set of interim figures and closed 10, down at 83p.

Chemicals had noteworthy at 508p amid talk of a circular being in the offing, and York-

Wilson (J.), INSURANCE (II) LEBURE (II) NOTORIA (II) NEWSPAPERS (II) PROPERTY (II) TORACCOS (II) TRAMEPORT (II) TRUETS (III) OLIS (II) OVERSEAN TRADERS (II)

On the week

Rices Falls Same 304 146 75 27 30 163

160

481

(40) AMERICANIS (21) STORES (23) STORES (23) STORES (24) STORES (24) STORES (24) STORES (25) STORES (27) AVOIT (27) AVOIT

#ULDINEN L/J.

(4) ELECTRICALS (3) BEQUESTROLL L/J.

MICHITELLE (3) Artspring Grp., Avon
habber, Lodge Care, NAM Computers,
Blieninigrs, PROPERTY (1) MINES (1).

Same 23 35

706 614 1,525 3,645 3,671 7,209

group announced a refinancing LEADERS AND LAGGARDS deal involving a £185m three-for-seven rights issue at 20p. The shares represent at 23p and quickly dropped to 21 %p where they stayed for the remainder of the session.

Percentage changes since December 30 1988 based on

*****	•	my	goot in long		
Agencies	+	55.49	Dectronics+	. ;	27
Food Retailing			Insuranco(Life)		
Conglomerates +			Mining Finance +		
Motors			Building Materials +		
Other Industrial Materials +		40.88	Oil & Gan +		
Browers and Distillers		39.47	300788 +		
Hesith & Household Products +		39.12	Gold Mines Index +		
Investment Trusts			Textiles+		
Other Groups			Benks +		21
					19
Mechanical Engineering +		33,43	Insurance(Composite) +		
Consumer Group			Publishing & Printing+		18.
Transport +			Financial Group +		18
Industrial Group	•	32.23	Packaging & Paper ,+		17
500 Share Index 4	-	31.47	Merchant Banks +		18
Letsure			Property+		15.
Electricals			Metals & Metal Forming +		14
Chemicals			Talephone Networks +		
All Share Index			Overseas Traders+		
Carried Conde			Contraction Construction		

w	gust I/ Isoa	
	Electronics+	27.68
,	Insuranco(Life)	27.43
	Mining Finance +	27.11
	Building Materials +	
		28.B1
	Stores +	26.81
•	Gold Mines Index+	
	Textiles+	22.86
	Benks	21.80
1	Insurance(Composite) +	
	Publishing & Printing +	18.89
	Financial Group +	18.68
1	Packaging & Paper ,+	17.35
;	Merchant Banks	18.21
	Property +	15.53
	Marrie P Marri Francisco	
	Metals & Metal Forming +	14.60
	Talachona Networks	11.78

BENCHMARK GOVERNMENT BONDS Red Date Price Change Yield

				,,		
13.500 8.750 9.000	9/92 1/98 10/08	107-13 98-23 98-22	+ 2/32 + 1/32 -1/32	10.63 9.98 9.14	10.73 10.00 9.19	10.97 10.30 9.36
9.125 8.875	5/99 2/19	105-25 108-27	-8/32 •10/32	8.25 8.25	7.96 7.96	8.09 8.15
4.600 5.700	6/98 3/07	97,4591 106,9514	+0.419 +0.498	5.01 4.96	5.11 5.01	5.24 5.03
7.000	2/98	101.6000	-0.350	6.75	6.62	8.70
8.000 8.125	1/94 5/99	97.6263 97.8900	-0.328 -0.600	8.65 8.44	6.47 8.25	8.60 8.55
10.250	12/98	104.9500	-0.425	9.43	9.22	9.33
7.000	3/99	99.3800	-0.220	7.09	6.94	7,10
12.000	7/99	94,4332	-0.158	13.01	12.95	13.43
	13,500 \$.750 9,000 9,125 8,875 4,600 5,700 7,000 8,000 8,125 10,250 7,000	13.500 8/92 8.750 1/98 9.000 1/98 9.875 2/19 4.600 6/98 5.700 2/99 8.000 2/99 8.125 5/99 10.250 12/98 7.000 3/98	19,500 8/92 107/13 8,750 1/98 98-23 9,000 10/08 98-22 9,125 5/99 105-25 8,875 2/19 108-27 4,800 6/98 97,4591 5,700 3/07 106,9514 7,000 2/99 101,6000 8,000 1/94 97,6203 8,125 5/99 97,8900 10,250 12/98 104,9500 7,000 3/99 98,3800	19.500 8/92 107/13 +2/32 8.750 1/98 98-23 +1/32 9.000 10/08 98-22 -1/32 9.125 5/99 105-25 -8/32 8.875 2/19 108-27 -10/32 4.800 6/98 97.4591 +0.419 5.700 3/07 106.9514 +0.498 7.000 2/99 101.6000 -0.500 8.125 5/99 97.8900 -0.600 10.250 12/98 104.9500 -0.425 7.000 3/98 99.3800 -0.220	19.500 8/92 107.13 +2/32 10.63 8.750 1/98 98.23 +1/32 9.14 99.20 10.708 98-22 -1/32 9.14 9.125 5/99 105-25 -8/32 8.25 8.875 2/19 106-27 -10/32 8.25 4.800 6/98 97.4591 +0.419 5.01 5.700 3/07 106.9514 +0.498 4.96 7.000 2/99 101.6000 -0.350 6.75 8.000 1/94 97.6203 -0.328 8.65 8.125 5/99 97.8900 -0.600 8.44 10.250 12/98 104.8500 -0.425 9.43 7.000 3/98 88.3800 -0.220 7.09	19.500 8/92 107.13 +2/32 10.63 10.73 8.750 1/98 98.23 +1/32 9.98 10.00 98.23 +1/32 9.14 9.19 9.100 10/08 98.22 -1/32 9.14 9.19 9.125 5/99 105.25 -8/32 8.25 7.96 8.875 2/19 108.27 -10/32 8.25 7.96 4.600 6/98 97.4591 +0.419 5.01 5.11 5.700 3/07 106.9514 +0.498 4.96 5.01 5.700 2/99 101.6000 -0.350 6.75 6.82 8.000 1/94 97.6203 -0.328 8.85 6.47 8.125 5/99 97.8900 -0.600 8.44 8.25 10.250 12/98 104.9500 -0.425 9.43 9.22 7.000 3/98 98.3800 -0.220 7.09 6.94

iorning session Prices: US, UK in 32nds., others in decimal Technical Date/ATLAS Price Source

COMMODITIES

NEW HIGHS AND LOWS FOR 1989

RISES AND FALLS

On Friday

45

WEEK IN THE MARKETS

Copper surges on supply worries

A COMBINATION of short term supply worries and a reassessment of fundamental economic prospects have prompted a sharp rise in copper prices this week.

Stoppages at important mines in Papua New Guinea (because of rebel sabotage) and Canada (because of a wage dispute) have been continued, while Monday saw the start of a national strike by Peruvian miners in support of demands for improved pay and condi-tions. In addition workers have threatened a stoppage at a Mexican mine and a "flash-back" accident at a smelter in Arizona added to market concern over supplies.

On the economic front, meanwhile, clear signs that the US economy was in for a "soft landing" rather than recession helped to consolidate a profound change of mood in the metal markets.

In the background, uncom-fortably low stock levels for copper and most other base metals continued to keep cash prices on the London Metal Exchange at premiums to for-

On the face of it the Papua New Guineau problem — at the Bougainville mine — appears closest to resolution Attacks by rebals led by disaffacted landowners seeking 1,200 workers at the mine.

to resume operations at 75 per cent of its 180,000-tonnes a year capacity by the beginning of next month. Mr Don Carruthers, the Bou-

gainville chairman, stressed, however, that production would only restart "if, after consultation with the security commander, we feel that it is safe to do so." At the moment that would appear unlikely. Bougainville Island remains under a state of emergency and with the rebel leaders still at large an estimated 400 soldiers and 120 police are trying to quell the discontent.

Neither is there any sign of an imminent breakthrough in the Canadian dispute, concern-ing Highland Valley Copper in British Colombia. The 170,000tonnes-a year operation has been strike-bound for more than five weeks and Mr Poal Hansen, the company's president said this week that no date had been set for a resumption of talks, which were broken off last week because of "expessive wage demands" by the United Steelworkers of America, which represents

Although the position in Peru is more difficult to assess, the strike there has undoubtedly had a serious impact on production. The mine owners claimed only one in three miners had obeyed the strike call, while the Miners' Federation said support amounted to 95 per cent and was solid. Southern Peru Copper Corporation admitted, however, that work had been brought to a halt at its Toquepala and Cua-jone pits, which between them account for two-thirds of the

country's copper output.

Peru provides more than 5
per cent of the non-communist world's copper, 11.5 per cent of its zinc and 6 per cent of its

Metal analysts were unsure how much store to put by the Mexican strike threst, at the 160,000-tonnes-a-year Cananea mine, where 3,000 workers are seeking pay increases of about 160 per cent. Some suggested that it might just be a ploy by union negotiators to hasten the conclusion of protracted nego-tiations with the management But others took it more seriously and warned that it could have serious implications for Magma Copper of the US, which last month signed a long term supply contract with Can-

The latest in the long

sequence of bullish factors affecting the copper market was news of the Arizona accident, et Cyprus Minerals' 450,000-tonnes-e-year smelter. That was seized on by New York metals traders, who drive the Comex price up sharply on Thursday and the theme was taken up on the London Metal Exchange in after hours trad-ing. But then a statement from the company confirming the accident pointed out that the unit had been scheduled for a two-week maintenance shutdown from September 1 any-way, so there would be no overall affect on production."

The LME cash copper price, which had ended last week at £1,758.50 a tonne, reached £1,815.50 a tonne on Thursday but retreated yesterdsy to close at £1,796.50 a tonne. Zinc and lead prices also

responded to the Peruvian strike After edging back early in the week, cash zinc ended \$107.50 np on balance at \$1,797.50 a tonne, while cash lead advanced £17 to £453 a tonne, the highest level for

nearly eight years.
Cash nickel relinquished last
week's \$500 rise while cash aluminium recouped some of its early losses to end \$21,50 down

Richard Mooney

■ TURNRIGHT CONTROLS, Portsmouth, has appointed Mr Arthur Monks to the board as technical director. He was an executive engineer at

Wireless ■ CABLE & WIRELESS has appointed Mr John Carrington as managing director of its appointed Mr Steve Martin personal communications network subsidiary. He was as manufacturing director director of British Telecom mobile communications.

HAVELOCK EUROPA has appointed Mr Jeremy Simpson, chairman of Gordon Russell, as a non-executive director.

Personal

network chief

at Cable &

■ Mr Alan Emson has been appointed financial director and company secretary of EVANS HALSHAW HOLDINGS. He was finance director of Birmid Qualcas and succeeds Mr Derek Bailey who has retired. Mr Alistair Mitchell-Innes joins as s non-executive director. He holds similar posts with Next, and H.P. Bulmer Holdings, and was previously chief executive of Nabisco Group.

Mr Martin Gill has been appointed group accountant of CAPITAL RADIO. He was an audit manager at Arthur Andersen & Co, specialising in media and communications.

Mr Tony Mansfield has been appointed divisional director of PRESS CONSTRUCTION, Swindon, part of AMEC. He was general manager, Jordan Project Management.

■ Mr Cameron Scott has been

appointed MACARTHY retail division managing director. He was merchandise director. Mr Bob Shaw becomes deputy managing director of the division and continues as divisional finance director.

APPOINTMENTS

■ CURVER CONSUMER PRODUCTS, Corby, has promoted Mr Glyn Morgan to marketing director, and

both new posts.

HALL & TAWSE GROUP, part of Raine Industries, has appointed Mr Robert Dean (above) as eastern marketing director. He was husiness development manager, Mow-

lein Management Contracting.

■ Mr M.G. Halias has been appointed finance director of IMI COMPUTING, an IMI subsidiary. He was finance director and company secretary of Eley, IMI's sporting cartridges subsidiary.

Mr P.D. Bew and Mr P.J. O'Connor have been appointed directors of SECURITY ARCHIVES (HOLDINGS)

Mr D.R.S. Lamond, group financial controller of EFT GROUP, has additionally been appointed company secretary.

Baring retail banking post

■ BARING BROTHERS & CO has established a Broadgate branch which will handle all custodial and retail banking. Mr J.M.S. Ekins has been appointed branch managing director, Mr K. Lee a branch director, and Mr T. Mackness an assistant director.

 SHEARSON LEHMAN **HUTTON EUROPE has** appointed Mr Christopher Golden as head of research.

succeeded Mr Iain Laidlaw as chairman of SCOTTISH FOOD PROMOTION.

CAPITAL has appointed Mr Geoffrey Weaver as e director to head the Leeds office. He was e senior manager st Lloyds Bank Group, Mr David manager in Leeds. He was a group tax manager at B D O Binder Hamlyn. Also eppointed an investment manager is Mr David Sage, who was a manager at County NatWest Ventures.

LLOYDS DEVELOPMENT

Mr Patrick Allan has been appointed finance director of the SPORTS WORKSHOP GROUP. He was a vice president with Banque Paribas.

Mr Kerry R. Wark has been appointed marketing director MOBIL OIL CO from September 1. He is general manager, Mobil Oil Hong Kong. He takes over the marketing responsibilities of Mr Alan Britten, managing director, Mobil Oil Co, who has been appointed manager. planning - Japan and special projects at Mobil Corporation's headquarters in Fairfax,

■ PRICE & PIERCE, Woking, a forestry products group, has appointed Mr Graham Johnson as director of European pulp

B CAISSE NATIONALE DE CREDIT AGRICOLE has promoted Mr Marc Brugiere Garde as general manager of its Singapore branch, due to be opened at the end of the year. He was assistant general manager of the London branch, and head of corporate banking and finance, where he is succeeded by Mr Paul Rex.

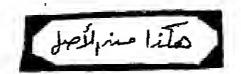
Mr David Mitchem has been appointed deputy general manager of the London branch, and head of treasury. He was a managing director of EBC Amro Bank, Mr David Barrows becomes deputy general manager, London branch, and head of administration.



LAURENTIAN UNIT TRUST MANAGEMENT has appointed Mr Daniel Godfrey (above) as bead of sales and marketing. He joins from Mercury Asset

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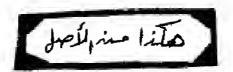


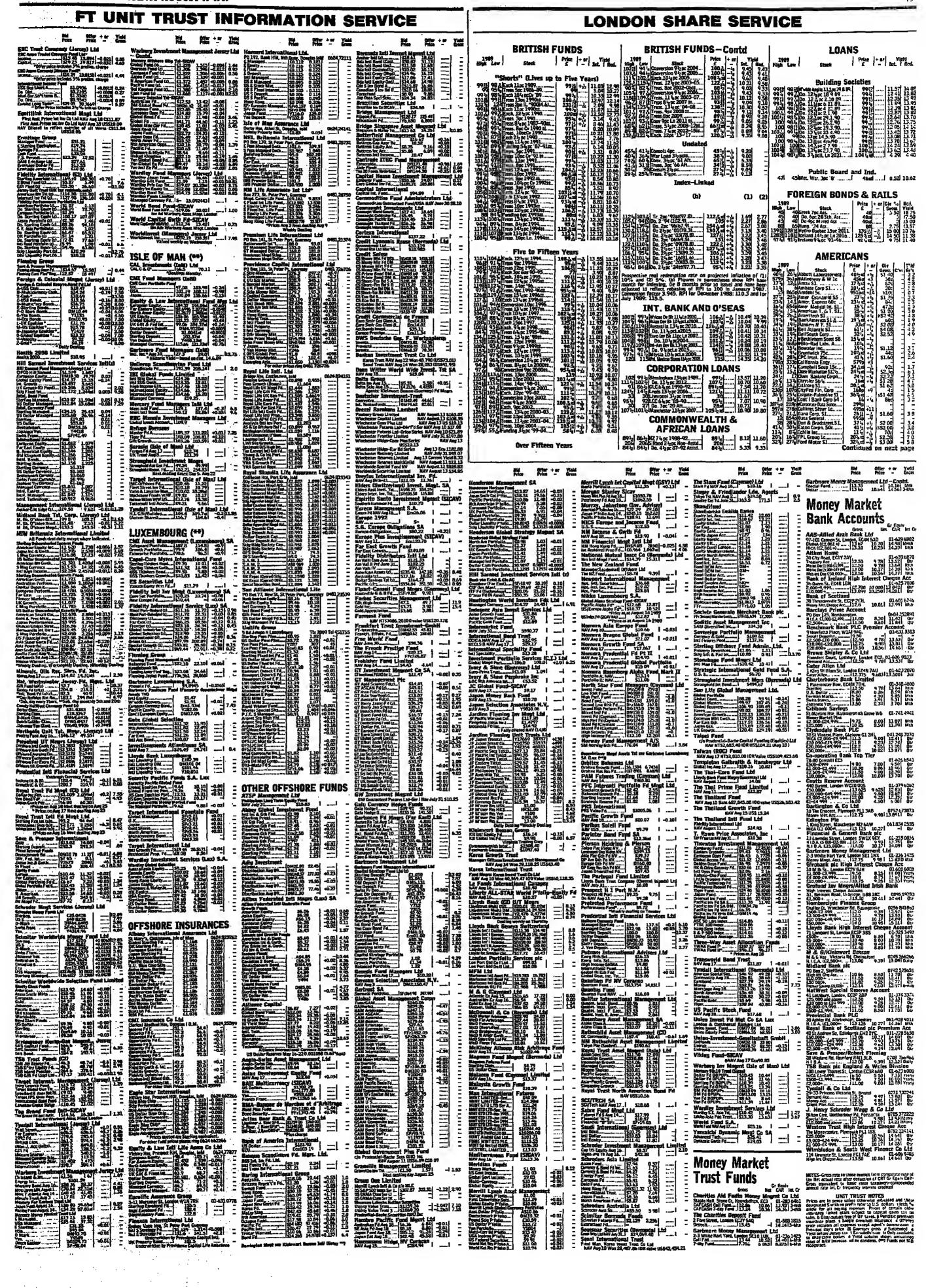
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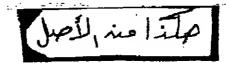
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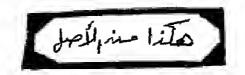


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FINANCIAL TIMES

Weekend August 19/August 20 1989



Football enthusiast takes over top club

By Patrick Harverson

MANCHESTER UNITED, one of the world's most famous football clubs, has been taken over by an Isle of Man property company, in a deal which values

Mr Martin Edwards, chairman and head of the family that has run the club for nearly 25 years, has accepted a £20 a share offer for his 50.06 per cent stake from MK Trafford Holdings, a company run by property tycoon, Mr Michael Knighton. MK will also make an offer to the remaining Manchester United

The sale of the cluh, which coincides with the start of the football season, is



the higgest takeover deal in the history of British football, dwarfing the previous largest, last year's f6m swoop on Glasgow Rangers by Mr David Murray, another Scots-born businessman,

Football is not regarded as one of Britain's great investment areas. A season's gate receipts can be wiped out by one transfer deal, and players are quickly depreciating assets which cannot be recorded on a balance sheet. Tottenham Hotspur, the only quoted football club, incurs a loss of £887,000 in the first half of this year.

Costs are likely to he heavy. Mr Knighton has already pledged to spend \$10m refurbishing the team's Old Trafford stadium. Much of the ground, the UK's largest besides Wembley, requires modernising and Mr Knighton has said he will rehuild the famous terraces on the Stretford End. The likely aim is to create an all-seater stadium to match the standards of the best continental

European grounds.

Mr Knighton has acquired sporting prestige, however. Manchester United, the home of great players such as Bohby Charlton, Denis Law and George Best, is one of the world's best supported clubs and is a multi-million proved husbasse.

Mr Knighton said yesterday after announcing the deal, which was signed on Thursday, that his first priority was to restore United to its position as the greatest club in Europe. "I consider myself to be a football enthusiast first and businessman second," he said.

The Edwards family took control of United on the proceeds of the profitable Manchester meat company, built up by Mr Louis Edwards, the present chairman's father. In the early years of man's father. In the early years of Edwards control, when Sir Matt Busby

Louis Edwards died in 1980 and after some initial success under his son Martin, the team has struggled in recent

was manager, United won the champi-onship several times and became the first English club to win the European



Michael Knighton (left) and Martin Edwards at the club

seasons. That has led to a worrying fall in average attendance, putting under pressure the cluh's ability to fund the huge transfer fees now required.

The fall in attendances, together with signs of supporter discontent, probably persuaded Mr Edwards to sell his majority stake. In 1984 he had rejected a £10m takeover deal from Mr Robert Maxwell, the publishing magnate who is also chairman of Derby County. Mr Edwards will remain as chief executive and become vice chairman of the club. United supporters are likely to wel-come the change of ownership, hoping

that it will herald a new era, beginning with today's opening League match against last season's champions, Arsenal Mr Knighton is believed to have promised the team manager, Mr Alex Ferguson, even more cash to build a

The new owner has a strong footballing pedigree. His great-grandfather, William Layton, was a member of Shef-field Wednesday's League Champion-ship winning team of 1902, while Mr Knighton himself, 37, was once on the staff of Coventry City before injury ruined his fledgling career.

BA flights

disrupted

by strike

BRITISH AIRWAYS European

and UK domestic services were disrupted yesterday, when

short-haul cabin crews held a

24-hour strike in support of a sacked air stewardess.

shuttle services between Lon-don and Manchester, Glasgow, Edinburgh and Belfast oper-ated, and just over half the

scheduled European flights. Long-baul and Concorde flights were not affected.

The airline said there might

Just three of the daily 81

By Flona Thompson,

Labour Staff

Wellcome hits the jackpot

Despite the 32 per cent surge in Wellcome's shares yesterday. the price may well be justified. Retrovir is finally established as a very remarkable drug indeed, commercially as well as scientifically, in size it could as scientifically; in size it could well rival Zantac, the biggest of them all. The parallel is instructive. At yesterday's 673p, Wellcome is on around 35 times this year's earnings. Glazo's multiple peaked at around that level back in 1963, when Zantac's development. when Zantac's development was similar to Retrovir's now. Glaxo's price then was around 425p: it is now 1527p. The sums for Retrovir are

fairly straightforward. In three years' time, asymptomatic car-riers of the AIDS virus in the US and Europe will total per-haps 2.5m. Suppose some 20 per cent are aware of their condition, and take the drug. The present price is \$2,750 a year (£1,751) for a daily dose of 500 ng. Suppose the price comes down to \$2,000, or \$5.50 a day. Resulting sales are \$1bn. Add in AIDS and ARC patients, and the figure could well be nearer \$1bn sterling.

It is also likely that the lat-est findings will fend off com-petition. Alternative drugs like petition. Alternative drugs like DDC and DDI are in principle very similar to Retrovir and are being developed in hopes that their side-effects might prove less severe. But it has now been established that in 500 mg doses in healthy patients, Retrovir has virtually no side-effects at all. Meanwhile a warring still looks to while, a vaccine still looks to be some five years away; and an actual cure, if it ever comes, is more remote again.

On a more cautionary note, it is hard to conceive of any further good news on the drug's performance. It will be prescribable for all those infected and the absence of side effects means no one has a motive for not taking it. Except, of course, for the pur-chase price. These days, \$2,750 is not unusually high for a year's treatment for a life-threatening disease; hat as Wellcome's profits soar, that argument may look increasingly threadbare.

Markets The equity market has got stuck. Had it not been for yesterday's miracle cure from Wellcome, the FT-SE would have ended the week just about where it started, having up again by market markers in a vain attempt to get the institutions to do something. As

FT index rose 4.0 to 1979.0

Long bond yields

cannot bring themselves to do so, whereas the case for buying looks as doubtful as ever. All the latest economic sta-tistics reinforce the picture of an economy that is at last flag-ging thanks to ruinously high mortgage rates, while the rate of inflation is coming down a bit, but not enough to mean anything for interest rates. Yesterday's numbers confirm that inflation peaked in June

thet inflation peaked in June at 8.3 per cent.

But unless Mr Lawson has really overdone it with his monetary squeeze, it is hard to see how the underlying rate can fall much below 6 per cent by the end of the year. Meanwhile, the July money figures were more unexpected and rather more worrying; leading continues at stubbornly high levels and, even though it is companies not households that are doing the borrowing, one are doing the borrowing, one wonders what would happen if they suddenly turned to their shareholders rather than to the

banks to satisfy their needs.

This week failed to provide the expected reckoning on the stock market; maybe next week's trade figures will supply the needed shock. After all, the market still has not had a good sell-off. After the 10 per cent rise in the last month or so, the need for one must be getting pretty urgent.

Home owners ---

The news that the UK inflation rate is heading lower for the first time in nearly two years is very welcome, but it is of little comfort for most UK home owners. The combination of very high real mortgage rates and softening house prices is beginning to take a heavy toll, and there is a very good chance that things will get considerably worse before they start to get better.

This week's jump in building acciety mortgage arrears should be a warning signal for the authorities. Real pain is now being felt in the housing market and next week's building society figures will be watched more than usually

The major mortgage lenders The major mortgage lenders did not respond to the May rise in UK base rates, with the result that mortgage rates are at least half a point lower than they should be. The worry now is that the building societies will eventually be forced to raise their rates in order to maintain their competitive position in the savings market. The longer base rates remain The longer base rates remain at current levels the more likely this will be.

Although mortgage rates are still 1% percentage points below their 1979/80 peak, avernelow their 1979/80 peak, average UK honse prices will grow by 5 per cent at best this year. A decade ago the figure was more like 30 per cent. Similarly, tax relief is far less important than it was then, since average honse prices have risen 2% times in the

Admittedly, the UK is not io the midst of a severe recession and real incomes are still ris-ing. But unless another mortgage rate rise can be averted, house prices look set to fall in nominal terms. If this happens on a large scale the impact on consumer confidence will be far more severe than any stock market crash.

Gateway

Now that the Gateway compromise has been struck, the cost to Newgateway can be assessed. It will receive £774m for shares which cost it £364m, and will spend a further £30m or so on buying more of the isosceles stub. Adding in costs, the consortium will have spent up to £140m for a 40 per cent share of whatever profits remain at the end of the buy-out exercise. Wasserstein Per-ella professas confidence that the return on its half-share will ment the pormed criteries for meet its normal criteria; for A&P, there may also be the chance to huy into the UK retail market.

The methods used are another matter, Perhaps, as the Takeover Panel says, it cannot be established whether any Gateway shareholders were disadvantaged. Newgateway could also argue that even if it tricked some people out of taking the stub, it paid 10p more for it than loosceles was offering. But the bad taste lin-gers, all the same.

Wellcome shares rise by 32% after safety report on drug against AIDS

By Rachel Johnson and Daniel Green in London and James Buchan in New York

SHARES in Wellcome, the UK pharmaceutical company, rose by 32 per cent on the London stock market yesterday after overnight news that the com-pany's anti-AIDS drug AZT is safer and more effective than

previously thought.

AZT, better known hy its trade name Retrovir, is now likely to be made available to millions of carriers of the AIDS virus who have not developed symptoms of the disease. Wellcome shares touched a

peak of 695p before closing at 673p, a rise of 164p oo the day. The company is now capitalised at £5.68bn, which puts it in the top dozen UK companies by market value. The latest study hy the US National Institute of Allergy

and Infectious Diseases suggests that the drug can improve the prospects for milllons of people who are infected with the virus but show no symptoms of the dis-

subsidiary of Wellcome, the US subsidiary of Wellcome, said yesterday that it would apply for permission from the US Food and Drug Administration in Washington to administer AZT to patients who have no symptoms. Until now, AZT has heen licensed only for those with full-blown AIDS.

It can take up to eight years

It can take up to eight years for a new drug to pass through clinical trials, but the FDA has streamlined approval proce-dures in view of the urgency of the AIDS epidemic.
The British medical commu-

nity yesterday gave a reserved welcome to the promising results of the latest US trials, while cautioning that important details about the drug's dosage levels and long-term side-effects, had not yet been made available for assessment. The British Medical Associa-

tion said the results were something to applaud. "It is the first time there is a real prospect of slowing down

CHIEF PRICE CHANGES YESTERDAY

WORLDWIDE WEATHER

Burroughs Wellcome, the US

the rate of the spread of the virus," said Dr John Dawson, of the BMA.

the AIDS charity and pressure group, said the trial held "important news," hut advised neople against rushing to have AIDS tests, "There is still no cure for AIDS, and discrimination is still attached to anti-body testing," said Mr Nick Robinson, of the Higgins Trust. Doctors in the US say that the study should help to break down the reluctance many peo-ple at risk feel towards undergoing the AIDS test. Wider

testing has been seen as a way of curbing the spread of the AZT is an expensive treat-ment, which has cost up to \$8,000 (£5,110) a year to administer to patients. Some doctors have found it hard to gain reimbursement for the treat-ment of symptomless patients from insurers such as the US

Thursday's endorsement of early treatment from govern-ment researchers should change this just as the prospect of lower dosage should reduce the price.

There was still concern in the UK that the high cost of treating all carriers would inhibit the drug's availability on prescription, although the new data suggests a price of \$2,750 a year (£1,751) for new lower daily doses.

AZT is available on prescription in the UK to those with AIDS or AIDS-related complaints - 2,471 at the latest Government count - but not to the estimated 50,000 who are HIV positive with no symp-

Wellcome would need UK Government approval before before 10am to ring the airport being able to widen its applicabefore leaving home.

Hope for breathing space, Page 7; Market report, Page 15; Wonderdrug, Weekend section,

Medicaid programme. **Argentina and Britain**

By Janet Bush in New York and Gary Mead in Buenos Aires

October 17 and 18, and the agenda for them were agreed after two days of negotiations in New York, and were announced yesterday. The New York talks were described as a Crispin Tickell, Britain's United Nations representative.

Both sides agreed to meet without prejndice to the posi-tions on each side on sovereignty over the Falkland Islands, South Georgia, tha South Sandwich Islands and the surrounding maritime

Sir Crispin said it had not been decided who would repre-

sent Britain in Madrid, hut said that the talks were to be held at top official level.

The agenda will include seven topics - measures to build confidence and avoid incidents in the military sphere; trade and financial relations; communications links by air and sea; fishery conservation and future co-op-eration on fisheries; contacts between the Falkland Islands and the continental mainland; cultural, scientific and sporting relations; other bilateral mat-

Sir Crispin said that the idea

agree agenda for talks

'real breakthrough" by Sir

BRITAIN and Argentina have agreed to formal top-level talks in Madrid, where the two countries are hoping to restore dip-

The talks, to take place on

Although the Madrid meeting will be the showpiece of the new dialogue, most of the work will be done beforehand. of direct talks had been mooted by Mr Carlos Menem, Argen-tina's new President.

together and face a new era, when the plenum of its central

Some of the bitterness felt by

committee meets in Warsaw.

be some disruption this morn-ing hecause of aircraft and crew being out of position. It advised passengers booked on any flight scheduled to depart Of the 600 cahin crew staff rostered for work, 350 did not appear, BA says. Mr Peter Owen, BA's directhere has been no new and pressing reason to sell, they

tor of operations, said that when staff next returned to work they would be asked to work they would be asked to sign a document agreeing not to strike again during this dis-pute. They would be suspended without pay if they refused. The union said this amounted to sacking people for taking industrial action.

BA sacked the stewardess in January for alleged irregulari-ties in the conduct of an in-flight bar.

The TGWU transport union, which represents the striking cabin crew staff, held a strike ballot where members voted by 1,069 to 849 for a rolling pro-gramme of 24-hour strikes in support of her reinstatement.
Mr George Ryde, TGWU
national secretary for civil aviation, will meet cabin crew representatives over the week-end and early next week to However, he said he believed the issue could be resolved

through negotiation.

BA said it had no intention of reopening the case. It would happily meet the union for talks, but Mr Owen stressed that the stewardess would not be getting her job back. Union showdown, Page 4

ber objected violently to Soli-darity's "demagoguery" and said: "The situation should not be presented as one which threatens our political system (corialism) — and the recorditi.

(socialism) - and the geopoliti-cal realities (the Soviet Union)

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Poland Continued from Page 1

a policy his colleague, Mr Mazowiecki will soon have to

Today will see the first efforts of the internally-war-ring Polish United Workers' Party - the country's communist party- to pull itself

Eagle Trust relinquished by Mr Ferriday, who was Eagle's chief execu-tive between March 1987 and June 1989 and Mr Smith, Eagle's current managing

director. In addition, Hi-Lo

Engineering, a company con-trolled by Mr Smith, has been put into voluntary liquidation. Eagle's shares have been suspended since May when Iroquois Brands, a US conglomerate chaired by Mr Malcolm Stockdale, acquired a 15 percent stake. Mr Stockdale subsequently became chairman and ordered an investigation by Peat Marwick into the group's

party activists was evident yesterday when, after a meeting of the Warsaw executive, a mem-

Continued from Page 1 Since May, Mr Ferriday and Mr Martin Baker, the finance director, have resigned from the board. Charterhouse Bank, which acted hriefly as financial adviser to Eagle, has resigned and been replaced by Aitken

Three separate investigations by accountants have since shown that the rest of Eagle's businesses are trading profitably. However, the DTI investigation is likely to mean that the audited accounts for 1988 will be further delayed. Mr Ferriday was not available for comment yesterday, nor were Aitken Hume or Par-

Climber found

not be ignored."

A teenage climber, missing since Thursday in 20-knot winds and hill fog on Ben Air-ighcharr, north-west Scotland, was found alive. An RAF helicopter and mountain rescue team had joined the search.

CHILE'S Central Bank will be largely independent of a future civilian government under a law spproved by the country's military. The bank will have powers to set monetary and exchange rate poli-







kend FT

SECTION II

Weekend August 19/August 20, 1989

Next Wednesday, the 50th anniversary of the Molotov-Ribbentrop Pact, will stir huge anti-Russian demonstrations in the Baltic states and Moldavia.

Edward Mortimer describes how the Pact was seen at the time and why it is. still such a sensitive issue

"He expected his country to go to war in a panic, for the wrong reasons or for no reason at all, with the wrong allies, in pitiful weakness. But now, splendidly, everything had become clear. The enemy at last was plain in view, huge and hateful, all disguise

hat was the reaction of the English Roman Catholic hero in Evelyn Weugh's Men At Arms to the news which broke at midnight on August 21, 1939, and "shook the politicians and young poets of a dozen capital cities": the news that the German Foreign Minister, Joachim von Ribbentrop, was firms to Mascow to sign a non-eg. flying to Moscow to sign a non-ag-

gression pact.

Perhaps Guy Cronchback's feelings were shared by others, but they were not expressed widely at the time. The prevailing sentiments, other than those expressed by the German and Soviet rulers themselves and the media they con-trolled, were shock and dismay. Shock, because it seemed such a complete reversal of policy by both powers, perceived hitherto as impla-cably hostile to each other. Dismay, because the Pact was obviously designed to give Hitler a free hand against other countries, and specifi-cally against Poland.

So much was immediately clear to everyone in Europe – everyone except those unfortunate people, like the poet Louis Aragon, editor of the French Communist newspaper Ce Soir, who for the previous five years had striven tirelessly to convince the Western democracies that they must make common course. they must make common cause with Stalin against Hitler. For such people the fact that all their efforts had been in vain was too painful to be faced at once, and they took refuge in hailing the Pact as a brilliant stratagem to foil the alleged con-spiracy by the "men of Munich" to encourage Hitler to attack Russia. encourage Hitler to attack Russia. "This," wrote Aragon on August 22, "is the day when it will have to be admitted that something has changed in the world, and that thanks to the USSR one cannot make war when one likes." The irony was all the more macabre for being, presumably, unconscious. For public opinion at large it was obvious that Stelin had thrown his

obvious that Stalin had thrown his weight to Hitler's side. That was confirmed for all to see when, two weeks after Hitler had invaded Poland and Britain and France had declared war on Germany, the Red Army in its turn crossed the Polish frontier and, on September 28, Rib-bentrop was again in Moscow to Border and Friendship Treaty", effectively partitioning the

former Polish state

3 2

Minister, gloated over Poland's demise: "There was one swift blow to Poland, first by the German Army and then by the Red Army, and nothing was left of this ugly offspring of the Versailles Treaty which had existed by oppressing non-Polish nationalities". He applauded Germany's efforts for peace and condemned Britain and France for waging "an 'ideological' war on Germany reminiscent of the religious wars of olden times". ("One may accept or reject the ideology of Hitlerism as well as any other ideological system — that is a matter of political views. But everybody should understand that ideology cannot be destroyed by force, ogy cannot be destroyed by force, that it cannot be eliminated by

The former Polish territory now occupied by the Red Army was incorporated into the Soviet republics of Ukraine and Byelorussia. Meanwhile the three Baltic states Estonia, Latvia and Lithuania had been obliged to accept Soviet bases on their territory while, significantly, the people of German descent living in those states were moved to Germany. Later, immediately after Hitler's victory over France in June 1940, all three states were occupied by Soviet troops, their governments forced to resign and new pro-Soviet government

In July Soviet-style elections were held in all three countries, with a single list of "peasants', workers' and soldiers' candidates". The new National Assemblies then voted unanimously in favour of the union of their countries with the USSR while most of the former political while most of the former political leaders who had not fied abroad were arrested. This forcible annexation of the Baltic states was not (and never has been) accepted as valid by Britain or the US, but Germany made no difficulties except about one small area of Lithuania. And when Russia gave an ultimatum to Romania; demanding the immediate cession of Bessarabia and northern Bukovina, Germany firmly advised the Romanians to give in.

give in.

All of this was so clear and public by July 1930 that there was no longer anything very secret about the now-famous Secret Protocols attached to the Pact and the Treaty. Even if those protocols had never come to light, the line taken by apologists for Stalin after 1941 and by some Soviet spokesmen even today - would have been easy to refute by reference to the historical record. According to this line the Pact was something forced on Stalin by the refusal of the Western allies to join him in defending Czechoslovakia in 1938, and by their In a speach to the Supreme Soviet dilatoriness about concluding a mil-on October 31 Vyacheslav Molotov, itary alliance in 1939: Stalin had to the Soviet Premier and Foreign act as he did or risk finding himself



The significance of the Secret Protocols

isolated in a war with Germany for which the Soviet Union was far

from ready. In reality Molotov was much nearer the truth when he said, in that speech of October 31, 1939: "We have consistently striven to improve our relations with Germany, and have wholeheartedly welcomed similar strivings in Germany herself. Today our relations with the German State are based on our friendly relations, on our readiness to support Germany's efforts for peace, and, at the same time, on the desire to contribute in every

way to the development of Soviet-German economic relations to the

mutual benefit of both states." According to one leading expert on the period - Dr Hartmut Pogge von Strandmann of University College, Oxford - the Pact was not such a radical departure as it seemed at the time. Stalin, he says, had always been keen to improve relations with Germany both before and after Hitler came to power. Dr Pogge has found in the Krupp archives evidence that as early as 1934 Stalin had asked the German

ambassador in Moscow, Rudolf

Nadolny, to try and get Hitler to remove the anti-Russian passages from Mein Kampf. The ambassador, besitating to approach the Führer directly on such a delicate matter, enlisted the good offices of Gustav Krupp von Bohlen, who apparently did broach the subject. But Hitler,

not surprisingly, declined. Of course, Russia and Germany had an interest in belping each other ever since 1919, as the defeated powers in the First World War and victims of the Versailles settlement. As early as April 1920 the Siemens archives record a remark by Leonid Kresin, the Soviet trade commissar, to the effect that a corridor through Lithuania would be needed for Soviet-German exchanges but "the best thing would be for Poland to disap-pear".

Russia looked to Germany for technology, and especially for weap-ons, while Germany valued Russia as an export market and above all as a source of rew materials. The latter aspect may well have been

the dominant motivation in 1939.

Earlier efforts at economic co-operation had languished not for ideological reasons but because Russia lacked foreign exchange, and Ger-many had been unwilling to accord large-scale credits. But in 1939 Germany could not contemplate a full-scale European war without securing regular oil supplies. The Polish campaign probably could have been fought without Soviet oil, but the defeat of France in 1940 depended on it crucially. Germany also secured thousands of tons of copper — purchased by the Russians from Canada (which presumably was unaware of their true destination) and shipped across Russians that the contract of t on the trans-Siberian railway.

If Stalin had really believed he was buying time to prepare for war with Germany be would surely not have approved these valuable contributions to Hitler's war machine, which continued until the very eve of the German attack in June 1941. But these of course were not facts he wished to be reminded of thereafter, and some of them remain acutely embarrassing to the Soviet leadership even now. Perhaps most embarrassing is the fact that under the Secret Protocols the three Baltic states were allocated to the Soviet sphere of interest". The contention of the nationalist movements which now hold sway in all three Baltic republics is that by declaring the Protocols null and void ab initio (as Protocols null and void ab initio (as it is apparently now preparing to do) the Soviet government will also be de-legitimising the forced incorporation of the three states into the Soviet Union which followed from it. That in turn leaves open the question of the "demographic and political realities" resulting from the past 50 years of Soviet occupation, including the rights of the large Russian immigrant communilarge Russian immigrant communi-

large Russian immigrant communi-ties — the issue on which Estonia is now at loggerheads with Moscow. No less awkward, though so far less publicised, is the issue of Mol-davia, formerly Bessarabia. The third article of the Secret Addi-tional Protocol to the Pact states: "With respect to south east Europe, the Soviet side emphasises its interest in Bessarabia. The Ger-man side declares its complete polit-ical disinterest (Desinteressement) in these territories." It was that clause which allowed Stalin to annexe Bessarabia from Romania in June 1940. It then became the Soviet Socialist Republic of Moldavia, was subjected (like the Baltic states) to the full panoply of Stalinist terror, and was endowed with a "Moldavian" language, which in fact is simply Romanian written in Cyrillic script.
It too now has a "Popular Front" which is demanding, not reunifica-tion with Romania (hardly an invit-ing prospect under President Ceausescu) but virtual independence, a return to Roman script, a halt to

Russian immigration and, most awkwardly of all, the return of territories detached by Stalin from Bessarabia and handed over to neighbouring Ukraine, which has no desire to hand them back. An explosive cocktail combining all the ingradients of the various ethnic ingredients of the various ethnic and national conflicts with which the Soviet Union is now plagued.

Hence the long and bizarre con-troversy over the Secret Protocols, whose existence is only now being officially admitted in the Soviet Union for the first time, although their authenticity has never been doubted by Western historians, of whatever political views, since they first came to light in 1945.

first came to light in 1945.

It is true that the original German text of the Protocols (which effectively partitioned eastern Europe into German and Soviet "spheres of interest") was destroyed during the war. That makes it rather surprising, if true, that Chancellor Kohl, of West Germany, during his visit to Moscow last year should have told Gorbachev, the Soviet leader, that the originals were in the West German archives. This claim was made by Gorbachev were in the West German archives. This claim was made by Gorbachev himself, with a rather sheeplsh half-apology to the Chancellor for breaking his supposed confidence, in an off-the-cuff speech to the Congress of People's Deputies on June 1 this year, when he intervened to support the proposal for a commission of inquiry. He added — looking for confirmation to his foreign minister, who replied with a barely audible "Yes" — that the Soviet Foreign Ministry had then sent representatives to Bonn, but (surprise, resentatives to Bonn, but (surprise, surprise) "the originals were not to be found there, either."

It is interesting that visit of the Soviet diplomats to the archives in Bonn was not reported in the West German media, and that the West German government has made no comment on the matter. But the issue of the German originals is something of a red berring. The microfilm which did survive the war includes many other unquestionably authentic documents, and would probably have been more difficult to fabricate than the docu-ments themselves. Moreover, among the original documents which do survive are numerous ref-erences to the Secret Protocols, both before and after they were

There is also a large map in full colour, originally attached to the Border and Friendship Treaty of September 28 1939, which traces the new Soviet-German frontier across Poland, and bears the signatures both of Ribbentrop and of Stalin

Stalin's signature is in blue pencil, as is the frontier line itself, except for a short distance near th town of Lemberg (Lwow) where Rib bentrop has corrected it in red and Stalin has countersigned the correction, as one does when correcting a cheque. Apparently there was rumoured to be oil in this region. Uncle Joe had tried to help himself to a lucrative little extra slice of Polish territory, but was caught at

Guy Crouchback had no preten-sions to statesmanship. But it is surely hard to fault his moral sense. [Additional research by James Blitz.]

The Long View

Holmes, the great detective, returns

It was in the summer of '89 that f observed that my friend Sherlock Holmes was taking an unusual and uncharacteris tic interest in financial mat-ters. So much so, indeed, that he began to neglect his normal devotion to the detailed crimi-nal coverage of the Daily Telegraph in favour of regular perusal of the Financial Times. On one particular morning

he became increasingly excited, and began to pace up and down the room. Eventually he appeared to come to a conclusion, then thrust the FT into my hand. "Well, Watson," he demanded. "what do you make of that?"

He indicated a story describing movements on the financial markets. "Why, Holmes," I replied, "it appears that the dollar has become peculiarly strong, and the US Treasury bond market likewise."

"Precisely," said he, "and yet the American balance of pay-ments remains weak. The twin deficits are only being very gradually eroded. It is exceedingly strange." His expression became solemn. "I fear that we are seeing the results of a very great conspiracy, which may yet have grave consequences for us all. It could indeed amount to the greatest act of theft in all history."

f gasped with surprise. Could this be another of Professor Moriarty's evil schemes? I asked. "In this case, I think not," Holmes replied. "I detect

Being a fuether continuation of the reminiscences of John H. Watson, M.D., late of the Army Medical Department.

a different kind of intelligence at work – perhaps, indeed, not a single mind at all, but a kind of ... consensus."

"The central puzzle." he went on "concerns the question of the currency losses which are being suffered by Japanese investors on their dollar bond holdings." "Aha!" I countered trium-

phantly, "you are surely out of date! There have been no such losses — not in '89, anyway. The dollar has appreciated by more than 12 per cent against the yen this year!" Holmes paused for a moment

to light his pipe, then spoke.
"You are indeed correct, my
dear Watson," he exclaimed. "But you miss my point. The puzzle is precisely that there have been no losses."

He produced a Japanese sta-tistical handbook. "You will remember that the previous important year for substantial mese private sector investment in foreign currency bonds was '86," he said. "In that year alone new purchases reached over \$100bn, more than 70 per cent denominated in US dollars. Yet after the Plaza accord of the previous October the yen was inevitably going to appreciate substantially against the dollar."

Holmes drew thoughtfully on his pipe. "It has been calculated," he continued at length, "that Japanese investors suffered currency losses equivalent to many tens of billions of dollars during the next two years.



What might have been just another Moriarty plot appeared, to Sherlock Holmes, to be something a great deal more sinister

"In theory that should have dissuaded them from further investment. But the Japanese Ministry of Finance appears to have had quite different ideas. Its officials must have been desperate to prevent further depreciation of the dollar. That may have seemed an improbable objective, given the obvious

omy. But it is the only explanation which fits all the known

Even so, the Japanese investment institutions proved reluctant to respond, and dol-lar bond purchases declined. Or at least, they did until this year. Now, however, buying of Treasury bonds has become so extraordinarily powerful that the long bond rate has fallen to 8 per cent and the dollar has appreciated sharply."

"Do you see the logic behind this? The first attempt to shore up the dollar was only partly successful, and inflicted heavy es on Japanese investors. But now our plotters have learned from their mistake. This time, the dollar is appreciating to keep the Japanese institutions happy."

"My dear Holmes," I exclaimed, "what kind of infer-nal Oriental scheming are you hinting at? If what yon say is true, the dollar will rise to levels at which it will cause the ruination of the American economy. Without foreign tour-ists, Disney World will go out of business."

"Precisely," he replied. "In particular, penetration of the American markets will become ever easier for foreign manufacturers. And there is more besides. Although it may be true that for the time being the fall in American bond rates has encouraged a stock market boom, in due course the reality of falling profits will become evident. The value of compa-

and severe trade imbalances nies in America will fall, and being suffered by the US econour determined group of conspirators will be able to buy them up cheaply.'

> "And yet, some clues still escape me. To rely on tempting Japanese institutions with dollar gains seema inadequate. For the investor, whether in the West or the East, greed is a powerful motive, but it is fear that is the overriding one, especially fear of political and economic instability."

At that moment there was a knock at the door. Our land-.lady Mre Hndson appeared with an envelope, which Holmes seized eagerly. On his reading the enclosed message, his countenance appeared first puzzled, then strangely flushed and elated.

"It is a note from my broker, Watson," he explained. "It eppears that another Japanese prime minister has resigned through scandal. This can be no coincidence. Everything is beginning to fall into place.

Sherlock Holmes laid down his pipe. "My deductive methods lead me to conclude that the conspiracy has gone fur-ther than even f had supposed. When you have eliminated the impossible from an investiga-tion then whatever is left, bowever improbable, must be the

So saying, he seized his hat and his cloak. "There is work to be done," he cried. "Come, Watson, to Grosvenor Square and the American Embassy. f fear that there is not a moment

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of currencies."

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01-589-7080 How To Spend It: On your home . XVII

Finance & the Family: This Week

PEPS: the big opportunity that shouldn't be missed?

Personal equity plans are now considered to be a "good thing" for investors and many financial advisers say they are en investment opportunity that shouldn't be missed. New schemes are launched every week and you can use them for a wide veriety of things — even paying school fees. It'e all e far cry from 1986 when the scheme was leunched and greeted with universal scorn. John Edwards eurveys the progress of PEPs and looks at their future. Page III

Mortgage arrears on the rise

A growing number of home-owners are facing the crunch from rises in mortgage interest rates over the past year, and are falling into arrears. From the lenders' point of view, trying to cope with this cituation has become the dominating feature of the mortgage market in 1989, Page IV

Measuring the risk factor

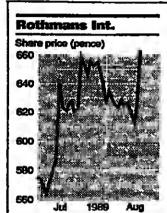
In the post-crash world, unit trust investors have become much more eware of risk. But a new measuring tool introduced by the Micropal statistics service could prove useful for rating the 1,300 trusts now evailable according to risk. Page V

The lure of 'phantom' options

The takeover of the Geteway food stores chain has put the spotlight on an Increasingly popular form of employee benefit known as "phantom" chare options. But how does the scheme

E EXPATRIATES: Home, unsweet home: Page IV

■ BRIEFCASE: Your questions answered: Page V





Brewery sector makes ground

The hrewery sector, already boosted by takeover speculation in Scottish & Newcastle, made further ground on the stock merket this week efter a front page story in the press highlighted bumper summer sales of wines, spirits, beer end soft drinks. Although there was nothing new in the story, it reinforced the merket's view that the spell of hot weather should heve a significant favoureble impact on company earnings in the sector. Analysts also believe thet the restructuring of the domestic beer market in the wake of DTI-Imposed reforms will improve the market rating of leading stocks like Bass, Whitbread, Allied Lyons, Grand Metropolitan and Guinness. Patrick Harverson

Market boost for Rothmans

Growing realisation of the asset strengths and earnings' potential helped shares in tobacco group Rothmans to sparkle in the stock market this week. A rumour that one of the two major shareholders (US tobacco glant Philip Morris end Swiss group Richemont) was preparing to sell out to the other was discounted by City analysts, who were quick to point out more fundamental reasons for Rothmans' rise, These included good recent results from overseas associ-ates in Australia and Malaysia, the London listing of Philip Morris, continued recovery in tobacco profits, favourable exchange retes, and e recognition of the value of the group's luxury goods Interests in Dunhill and Cartier, P. H.

More mortgages for women

Women today account for e larger chunk of the mortgage market than 10 years ego, eccording to e survey from the Nationwide Anglie Building Society. The survey reports that the proportion of the building society's borrowers who are women has doubled from 10.3 per cent in 1978 to 20.7 per cent in 1988. And whereas a decade ego 53 per cent of the loans made to female customers went to single women, last year 71 per cent were made to that group. The average price of properties bought by women has increased by 275 per cent in the past 10 years (compared with 257 per cent for men) even though the everage ennuel income for women has risen by less than for men — in other words, by 157 per cent egainst 172 per cent. Sere Webb

Annual reports face the axe

The glossy ennuel reports so familiar to chareholders may become e rare sight from next yeer. Listed companies will no longer be required by law to send them out, but will be eble to send summary financiel statements - perhaps running to just one sheet of paper - Instead. All shareholders will be able to request the full version free of charge. The Department of Trade and Industry ie now seeking views on whether shareholders should be able to obtain full reports, end what the summary versions should contain. The matter has an important bearing on the way companies communicate with their shareholders. This will be your last chance to influence the government's thinking on the subject. Write to DTI, Companies Division, Room 519, 10-18 Victoria Street, London, SW1H ONN. Comments by October 31. Richard

LONDON

Footsie is boosted by star performers

market analysts last weekend that equities were due for e dramatic correction to the summer's ebullient advance with some more excitable brethren talking in hundreds of points — perhaps made it inevitable that the FTSE-100 would end the week at another post-crash high. A correction did come on Monday, when the index fell 28.3 points, but all of the decline – and more – was mede np quickly made up. Footsie ended the week with e net 20.9-point edvance to

Was this a case of crying wolf or was it only a reprieve? By the end of the week, analysts were still wary of the sustainability of the strong run -and confident that their warnwould eventually be vindicated. But the wilder compari-

CONSIDERING.

manic-depressive behaviour of the bond market, where Trea-

sury securities have lost five full points and 30-year interest rates have jumped from 7% to

8¼ per cent in less than three weeks, equity investors on Wall Street have remained

remarkebly confident. The question that arises, therefore, is whether the stock market

can re-establish its indepen-

dence from the generally bear-ish trend for bonds now that the fears of imminent recession

have dissipated.

Taking a medium-term perspective of three to six months,

the answer might well be posi-

tive. Wall Street could easily enjoy another surge in equity prices, even if the bond market

continues to drift downwards.

ago that signs of a divergence

first became apparent. At that point, it was the fixed-interest

market that outperformed

equities wildly as long-term interest rates plunged from

over 9 per cent to 8 per cent in

The only justification for this wild bond rally was fear of

e recession within the next 12

months. Such fears (or hopes. in the bond investors' parl-ance) were never really justi-

fied either by the economic sta-

tistics or by analysis of the

Federal Reserve Board's policy

stance. Nevertbeless, the equity market was understand-

ably reluctant to celebrate an

economic ontlook that could

have meant disaster for corpo-

the main part of the bond rally

already was over, that the jubi

lation really started in the

equity market. On June 30, when the long bond yield fell to 8 per cent for the first time

It was not until July, after

rate profits.

less than two months.

between bond and stock price

In fact, it was three months

The market got timely support throughout the week from a slew of UK economic statistics which came in on the position of the comments of the control of the tics which came in on the positive side of expectations, and from a US trade deficit of \$8.2 m in June, the lowest monthly figure in five years. At home, seasonally adjusted retail sales' volumes fell by 0.6 per cent from June to July. As the annual growth in manufacturing output slowed to 4.5 per cent, manufacturers' fuel and raw material costs declined and output prices mose by only and output prices rose by only 0.3 per cent. At the retail level, the year-on-year inflation rate dipped to 8.2 per cent last month. The fall in average earnings growth to 9 per cent in June, from 9.25 per cent in May, was greeted as fleeting good news sincs it did not reflect the recent rush of pay

helped by star performers within its ranks. Acting the on Monday was BTR, buoyed in the red tide by speculation about its future relationship with the US leveraged huy-out specialist Kohlberg Kravis Rob-erts, and about what financial schemes chairman Sir Owen schemes chairman Sir Owen Green might be pondering. BTR added 11p to 465p on Monday, one of only five Footsic shares to rise that day, and finished the week at 484p. On Friday, it was Wellcome's turn. It shot up 164p to 673p after e second US overnment strate. second US government study within weeks pointed to the efficacy of AZT, or Retrovir, in the early stages of Aids. If conventional wisdom is true, one straw in the wind that the market might be nearing a peak was e rush of rights

	H	IGHLIG	its of	THE	WEEK
	Price y'dey	Change on week	1989 High	1989 Low	
FT-SE 100 Index	2375.1	+ 20.9	2375.1	1782.8	Satisfactory economic data.
Bass	1118	+41	1120	793	Buoyant drinks sales.
Body Shop	470	+59	474	240	kny, demand & shortage of stock.
Euro. Home Prods	176	-23	294	187	interim trading profits sharply down.
Gen, Accident	1010	-45	1065	858	Half-year profits fall more than 13%.
ICI	1269xd	-52	1347	1012	Fears of bulk chemical downturn.
Priest Marians	535	+42	535	398	Spec. over ex-chairman's 25% stake.
Rothmane	670	+50	670	425	Possible break-up candidate.
Slough Estates	395	+30	404	294	Hopes of Nih American/European bid.
Sotheby's	1875	+337	2050	544	Bid talks. Good art market.
Tarmec	289	-18	374	226	Large seller operating.
Tiphook	500xd	+26	539	415	Raised bid for Sea Containers.
Wellcome	673	+150	695	400	US triels back anti-AIDS drug.
Western Motor	788	+ 151	825	530	in MBO talks.
Yale & Valor	360	+22	380	307	Williams Hidgs. Increases stake.

WALL STREET

Investors cast off their bonds

late in April when long-term interest rates were still above 9

In the next five weeks, however, the Dow jumped 11 per cent to last week's peak of 2.713. It managed to do this with no help et all from the bond market, where long rates stayed stuck around 8 per cent. There was nothing very sur-

despite the widespread belief on Wall Street that equity and bond prices have to march in lockstep. For there are two quite separate forces that can drive equity prices upwards.

very highly and enjoy P/E ratios well above the market average. At present, for exam-ple, companies like Coca-Cola, Disney and Procter & Gamble all are trading at P/Es of around 20 times, against a market average of 14. During a period of declining interest rates, however, these high P/E stocks remain popular both with analysts and investors for there is always the hope that the market's general attitude to "reasonable" valuation levels will become more liberal as interest rates continue to fall. An altogether different type of market rally can occur when

nies may already be valued

'There could easily be another surge in equity prices'

Falling interest rates can raise stock prices by making dividend yields and price/earnings ratios more ettractive in relation to the returns evail-able from fixed interest investments. This is the kind of valuetion-driven bull market that Wall Street most enjoys, It tends to push np the stock prices of companies with very reliable growth records and good prospects of resisting the economic slowdown usually associated with declining inter-

rising but so are the profit expectations of cyclical compa-nies, not only in the manufac-turing sector but also in economicelly-sensitive service es, such as air transport and trucking. If market fears of e recession had driven down their valuations to extremely bearish levels, it could be sufficient for

their profits to stabilise, or

economic growth is picking up, or even stabilising after e tem-

porary slowdown. in periods like this, interest rates may be

ettitude in Washington to growth and inflation, it could be well into next year before such tightening becomes e serious threat. 2677.82 - 06.07 2687.78 + 09.86 2683.29 + 05.51 2672.63 - 13.66

Anatole Kaletsky

holding to less than about 60 per cent. Below that level, the possibility of issuing new

shares - in employee incen-

tive schemes, for example -might dilute the Trust's hold-

ing to below the critical level. Some in the City think any

share sell-off is unlikely. The alternative, if the Wellcome trustees want to see more cash

come from the success of Retrovir, is to ask the board of

the pic to increase dividends paid to shareholders.

the Wellcome share price, now might not be the best moment in which to invest.

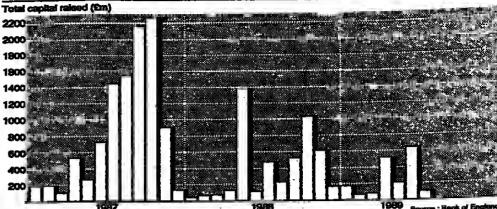
After Friday's sharp rise in

Steve Plag and Jonathan de

Pass, the pharmacenticals team at securities house Bar-clays de Zoete Wedd, have long been the most bullish of City

They say that at around

Rights Issues 1800



the hotelier, led the way with e £141m cash call to fund its UK expansion without taking on sterling debt. The issue was the fourth-largest this year and the biggest since RTZ's £486m in May. It helped to raise the total so far to £2.71bm, against total so far to £2.7hm, against £2.44hm at the end of August 1988. Also going to sharehold-ers were Laird Group, the sealing systems and engineer-ing company (for £35m), and Explaura Holdings, the New-foundland limestone miner (for £2.16m),

Less happily, shareholders of two troubled retailers, MFI and Lowndes Queensway, also found themselves being asked to cough up more cash or face dilution of their equity. Both companies, burdened by debt from leveraged buy-outs in 1988, unveiled long-awaited refinancing packages. But a more sanguine perspective on retailing came from W. H. Smith's full-year results, even though its 27 per cent increase to £39.7m pre-tax was flattered by a much larger contribution from property profits than in

In the same sector, Boots bought sufficient Ward White shares to raise its holding to the maximum permitted 29.9 per cent. The defence estimated interim profits of £34m and the two sides squabbled over e DIY survey, but there eppears to be every chance

analysts had forecast previ-ously. This is the situation in

which many US industrial

companies find themselves now, with General Motors, Dow Chemical and Alcoa all trading at P/E ratios of around six while Bethlehem Steel and

Ford languish at e P/E of only

five. In sharp contrast to e valua-tion-driven bull market, a rally

led by cyclical companies like these will tend to respond posi-tively to good news on eco-nomic growth and might be

relatively immune to bad news on inflation. In other words,

the equity market's internal

dynamics will be very different from those of the bond market. Wall Street generally is much more sceptical about a

cyclical market rally than one

which is powered by falling

interest rates. One reason for

one - the stocks that lead

cyclical railies tend to be, by

lefinition, the ones that inves-

tors have shunned recently because they misread the eco-

Unfortunately, there is also a

sounder reason for caution. A cyclical rally that happens at

the end of a very long period of economic expansion is likely to signal the end of e business

cycle. Eventually, this late-cy-

cle burst of economic growth will lead to rising inflation and will be stifled by e renewed

tightening of monetary policy. However, given the present

nomic outlook.

that Ward White's Philip Birch will be on his blke when the \$900m takeover bid closes on Tuesday. Elsewhere on the bids front, it was a quiet week between Hoylake's offer document and BAT industries' riposte next Monday. What histle action there was in this \$13.5im battle centred in the US where the Securities and Exchange Commission said it was studying whether it had any jurisdiction.

any jurisantion.

General Electric Company
and Siemens renewed their
assault on Flessey, with an
offer document which cast
doubt on the smaller electrondoubt on the smaller electron-ies group's prospects of main-taining its independence. Hav-ing quietly built up e 2 per-cent holding in defence sector rival Ferranti International Signal, Plessey might have come to e similar conclusion without embracing its Anglo-German suitor. GEC also out-lined the details of its Eurolined the details of its Euro-pean collaboration with General Electric of the US, on terms altered considerably from the blueprint published when GEC itself faced takeover

speculation earlier this year. Tiphook and Stena increased their bid for Sea Containers to 51hn as James Sherwood tried to put together a defensive recapitalisation package. recapitalisation package.

The rival suitors in the £2bm struggle for Gateway finally settled their differences, with

the losing Newgateway consor-tium accepting Isosceles' offer and agreeing to take additional shares. Meanwhile, Hanson sold its first bundle from Con-solidated Gold Fields: most of the latter's stake in Gold Fields of Seath Africa for 5385m. of South Africa, for \$386m.
Two leading composite
insurers reported declines in
interim pre-tax profits, Royal

dropping 22 per cent to £119.6m and General Accident falling 13.5 per cent to £126.5m. The latter announced a raft of execntive promotions, including Nelson Robertson as general manager-designate. Misstog from the list was the prime architect of GA's ill-starred move into New Zealand, which accounted for first-half losses of £29.8m. A fortnight after the Big

Four clearers set the pace on Third World debt provisions, Standard Chartered came along with its own £208m wri-tedown on problem loans which pulled the bank into e £48m pre-tax loss et the interim stage.

Standard used the occasion to unveil a recovery plan, which included reducing overheads. British Telecom had happier news, lifting pre-tax profits by 4 per cent to 2635m in the first quarter despite a

Clay Harris

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JUNIOR MARKETS

Storm signals over profits

THOSE WHO enjoy seeing the mighty fallen should keep tabs on some of the junior markets' in sales.

most glamorous shares. A recent string of profit warnings shows that even the highest-profile companies have not escaped the strains of rapid erransion and the economic stores. expansion and the economic

wdown. Last week, there was bad news from Parkway, the prepress production services group, which was voted Unlisted Securities Market company of the year in a con-test organised by the USM ogzine in March.

This week, it was the turn of Savage, the DIY product group which was a runner-up for the award last year.

The past fortnight also has

seen profit warnings from May-born, e consumer products group, and Porvair, e specialist plastics' manufacturer. As e result, the number of formal profit warnings from USM companies this year has now reached e grand total of 14.

When these are added to the number of downgraded profit forecasts by analysts and downbeat statements at annual meetings, it seems that the autumn reporting season could be a rather depressing affair.

That said, there will undoubtedly be many stocks that fly above the clouds that did the market. The services are supported to the said.

dim the market. The September reporting season will "sort the men from the boys," in the view of Andrew Holland, an analyst at BZW.

analyst at BZW.

Accordingly, he believes there is scope for optimism about carefully selected shares.

This sentiment is shared by other analysts who point to the relatively low ratings enjoyed by USM companies et the moment, which should take the sting out of most discothe sting out of most disappointing profit announcements. (A rating the ratio of the share price to the company'e future earnings, is a measure of the City's confidence about the company's growth prospects.)

However, the high-flyers which disappoint the market probably will experience e particularly drastic fall in their

share price as they lose their premium rating.

The trick, then, is to spot those companies which seem able to shrug off worsening economic conditions.

High gearing, e dependence on UK sales, inexperienced management, and exposure to vulnerable sectors such as retailing and house-building are all traits that should perhaps be avoided. Another com-mon cause of problems is recalcitrant acquisitions.

Many of the companies that

have produced profits warnings recently are prone to at least one of these problems.
For example, Savage Group,
which said that this year's
pre-tax profit would be only
slightly higher than last year's

Parkway, which has gearing

of more than 100 per cent, also is suffering from higher interest rates and points as well to advertising and print market and a problem with a subsidjary's acquisition.

Mayborn Group has had problems with a subsidiary, too, while Porváir, for its part, had problems from e sharp increase in overheads when it tried to widen the range of its

industrial applications.

Given the subdued performance of the USM, the uncertainty about the economy and the City's traditionally quiet holiday period, it is not per-haps surprising that there are very few new issues in the

But one company braving the market is Essex Furniture, e manufacturer and retailer of upholstered furniture which plans to join the USM in mid-

Early in the history of the company, which started in 1972, Michael and Martin Franks, respectively chairman and chief executive, decided to sell their furniture through their own factory. This saved the business from having to rely on the retail trade, where it had no control over the amounts of stock held,

credit terms, or how the stock was displayed. The company now owns a chain of shops in Romford, Chelmsford, Grays, Leigh and Ipswich, where it sells sofas

Ipswich, where it sells sofas costing an everage of about £1,400. This, it reckons, is about 25 per cent less than the price charged by e retailer for e comparable product.

Considering the dismal state of the housing market in south-east England, and the pressures on consumer spend.

pressures on consumer spending. Essex might have a fough job persuading the City that it has good short-term prospects. Nonetheless, it feels it is in e secure niche. In July and August this year, the company made more profit and turnover than it did at the same time

"We have pitched ourselves into a market which does not seem to be affected by the peaks and troughs of the econ-omy," claims Michael Franks. That, inevitably, remains to be: seen. The price at which shares are issued probably will take account of the state of the retail market.

If so, shareholders are unlikely to suffer such a bumpy ride as with some of the one-time glamour stocks.

Vanessa Houlder

this year, the Dow Jones Indus-trial Average stood et only Such steady-growth compa-Wonder drug puts Wellcome in the big league

IF YOU bought Wellcome shares on flotation in 1986, the value of your investment would beve increased more than five-fold. Much of the gain has come in the past fortnight as two US studies on the effectiveness of Wellcome's anti-Aids drug, Retrovir, have come down firmly in its favour. Retrovir probably will be administered to patients who

have the Alds virus but do not show symptoms of the disease. There could be np to 50 times as many people in this category as actual Alds suffer-ers as it can take between two and eight years for them to develop the full-blown disease after infection, and many more

for them to die. Unpleasant though those statistics are, they mean that there will be a lot of Retrovirusers who will have to take the drug for e long time.

This means that Retrovir is likely to be one of the world's

biggest-selling drugs of the next decade, and Wellcome will be thrust into the realm of the world's top pharmaceutical

The blockbuster drug is the Holy Grail of the pharmaceutical industry.
investors might remember

than 500 in 1980. Now, they cost more than £15, largely thanks to the anti-ulcer drug Zantac, the world's best-seller, which brings in more than fibn e year in revenues. Even infletion-adjusted, Glaxo shares have improved 12-fold in value this decade.

While such statistics excite the market, Wellcome is not home and dry. Revenues from drugs are hard to predict. For one thing, both the price and dose of Retrovir are likely to fall. And Aids might not be spreading beyond high-risk groups as quickly as once feared.

in the City, sceptics point to of e one-product company. In fact, Wellcome does have other products - the anti-herpes drug, Zovirax, entered the top 30 sellers in 1987 - but must remain vulnerable to competi-

Things look good et the moment because there are no serious rivals to Retrovir in prospect (its nearest competitor is more likely to be used in conjunction with it). However, the urgency of the Aids problem in the US has forced regulatory authorities to

Wellcome Share price (pence) Retrovir resistant AIDS strain discovered / two grips market Shares floated on Stock Market FDA approvi 400 Limits on Retrovir supply lifts and favourable AIDS effective by FDA comment on Retrov Third pos rival, DDI, 1986 1987 1969

streamline the approvals pro-It is conceivable for a compound discovered today to be on the market within three years. If that were to happen, then Retrovir could be the est-lived blockbuster drug of all time.

A more significant possibil-ity, as far as investors are con-

cerned, is of a flood of new stock onto the market. Some 75 per cent of Wellcome shares are owned by the charitable Wellcome Trust. To keep its charitable status, the trust must retain control of the

in principle, this means it could almost double the num-ber of shares in circulation by

floating off another 25 per cent of the company. Since even hulls of the stock concede that some of the price rise has been a result of a shortage of stock in the mar-ket, such an issue would put downward pressure on the price initially.
in practice, the Wellcome

700p, there might be profit-tak-ing from more speculative investors, pushing the price For investors prepared to stay around for the longer run, though, Plag and de Pass are sticking with their view that Wellcome is e good home for your money.

analysts on Wellcome.

All you ever wanted to know about PEPs

PERSONAL equity plans (PEPs), the tax-free schemes introduced by the government to encourage wider share own-erable, are now generally con-sidered to be a "good thing" for investors, following the radical changes made in this year's Budget indeed, many financial advisers claim that they are an investment opportunity which should not be missed, especially since it seems unlikely that PEPs would eurvive if the Conservatives lost the next

election. In other words, buy now while (Tory) stocks last. There is an estimated potenrial market of 5m investors for PEPs. Certainly the range of PEP schemes has broadened; new ones are launched virtu-ally every week; there are PEP mortgages (even the mighty Halifax agrees that they are an acceptable vehicle for repaying home loans); and they are touted as ideal schemes for paying school fees and for pro-viding additional tax free "pen-

This is a far cry from 1986. when the scheme was first announced in the Budget and was greeted with almost uniwas greened with amost universal scorn. Sales of PEPs were disappointingly low ini-tially and the whole scheme was in danger of becoming an embarrassing flop for the Government. It was rescued from oblivion by the changes made in this year's Budget which served to make the wrapping a lot more attractive, both for investors and the sellers of PEPs, without altering the

basic concept very much. The tax-free concessions are still confined to any profits made, and there is no relief on money going in, as with pensions. The main beneficiaries of the PEP tax concessions are the wealthy who pay the top rate of income tax and earn sufficient profits to use up their annual capital gains tax

exemption of £5,000. Although PEPs were intended to help widen share ownership, they do not offer a great deal in the short term at least for standard rate taxpay-ers who have no liability to capital gains tax. The savings, ou tax-free dividends do not amount to much, especially with low yielding shares. However, PEPs are a lot more attractive than they were previously, because in the last

PROVIDENT LIFE Association

appears to have discovered a way of giving tax relief to

investors on fees paid to inter-

mediaries selling its naw Bespoke Gold Pensions. At the same time it avoids having to abide by the commission dis-

closure rules set out by the Securities and Investments

The Hampshire-based Provi-

defit Life; a member of Winter-thur Swiss Insurance Group, is

firmly in favour of rewarding

independent financial advisers with fees rather than commis-sion. The company launched

its gold range of pension con-tracts last year; as these do not pay commission, the benefits are somewhat enhanced.

Last week, Gerry Budd, head of the professional advisers

division, unveiled the com-

pany's plans for moving over to a fee system for advisers. The commission system of

remuneration for intermediaries is ingrained in the UK insurance industry, both general and life. Under this system the intermediary is "rewarded" by the insurance company, not his offerst and the circumstance company, not

his client, and the size of the remuneration is based on the

size of the contract secured.

By comparison, fees are paid by the client directly to the

the amount of work involved.

are intended to force advisers to reveal the amount of com-

mission received on a sale, although it is not provided in an easy-to-understand form.

However, the requirement to

intermediary and are related to

SIB's disclosure proposals

-

the maximum that could be invested was raised from

£3,000 to £4,800; the percentage that could be put into unit or investment trusts was increased from 25 to 50 per cent of the total;

many of the rules and reg-ulations that made the original PEPs so coetly to run were removed; and

the money invested no longer has to be locked away for a minimum period of a calendar year and a day. Now, in theory, you can invest one day and take the money out the following day. The only restriction is on the amount you can put in annu-

amount you can put in annually – ie £4,800. Once you have put any money in, that counts against the £4,800 even if you take it out the next day.

A complication arises during the transitional period this year because the old-style 1989 ralender was PFPs (with a calendar year PEPs (with a maximum investment of £3,000) are still available at the same time as the new-style 1989/90 fiscal year PEPs (with a maximum investment of £4,800). By taking out an old-style PEP first and then a new-style PEP you can invest up to a total of £7,800. From

January next year, all existing old-style PEPs will be merged into new-style funds. Another important innovation is that the tax-free conces-sion applies to dividends paid out to investors, not just to those re-invested in the fund. So investors can use PEPs as a



rehicle for receiving gross diviends and they do not have to be declared to the Inland Revenue. Neither do any capital gains made.

The ability to take out your money when you like, to receive tax-free dividends, and to invest a lot more than previ-

(from £540 to £2,800) means that unit trust groups are now offering PEPs with no additional charges at all. You are, therefore, able to invest in a unit trust PEP and take advantage of the tax-free concessions without having to pay any-

'If you believe shares are a good long-term investment then PEP funds have to be considered.'

ously has obviously made PEPs much more attractive. In addition, the removal of most of the rules and regulations has also reduced the costs incurred by plan managers, so charges have fallen.
The increase in the amount

Plans for investors to

thing extra. If the dividends are re-invested, as some PEP managers insist, the fund should perform better, because no tax has to he deducted. Income unit trusts in a PEP wrapper can pay dividends gross instead of deducting tax.

new issues, either exclusively or together with other shares, although you have to place the shares in the scheme within 30 days of allocation. The government concession was believed to have been made with forthcoming privatisation issues in mind so that small investors would be encouraged to hold

onto their shares.
One new restriction introduced in the Budget was that PEP unit or investment trusts must have at least 75 per cent of their holdings in qualifying UK shares, so the percentage that can be invested abroad is even more limited than before. Since most of them do not meet the 75 per cent qualification, investment trust groups have been very slow to jump on the PEP bandwagon. As a special concession, pri-marily to the investment trust

industry, the Government decided to allow up to £750 to be put into a trust which doesn't meet the 75 per cent rule. However, if you do that the rest of your investment has to be invested in UK shares.

There is another problem. If you do invest in a unit or investment trust only PEP, you may be disqualified from using up your full £4,800 entitlement. That is because you are only allowed to use one PEP plan manager each year, and if that manager is only offering a unit trust version (such as M & G does) then you are stuck with the maximum limit of £2,400.

he careful. Often, the choice is limited to a specified number

of shares or a category, such

as Alpha or FT-SE 100 index

stocks. In many cases, you can choose unit or investment

If you are considering taking out a PEP, your first decision should be whether you want it invest in a UK unit trust, it seems silly not to take advan-tage of the tax concessions

good long term investment, then PEP funds have to be considered. The provision of tax-free income in future years is an obvious attraction for thos nearing retirement, while PEP mortgages have a lot to com-mend them (they are not as tax efficient as pension mortgages, but they are a lot more flexible and less expensive than both pension and endowment mortgages, if slightly riskier).

full £4,800 you have to go to a group that is either offering a unit trust and share PEP, or simply a PEP investing entirely in chares.

With share PEPs, investor ueed to check other points. For a start, charges vary enormously. Some managers have an initial (entrance) cost, an annual management fee based on the value of the fund, and dealing costs. It can be an expensive way to huy shares so you should look carefully at the total costs.

Second, there are restric-tions concerning the amount you can put in. Some managers insist on taking the maximum amount, while others will take smaller lump sums or even monthly savings. Because of the relatively small amounts involved, many managers limit the number of shares that can be included in a PEP portfolio. Even if they don't, the mini-mum dealing commission charges make it impracticable

to buy many shares.
It is an old adage that tax savings alone are not a good enough reason for choosing an investment, and PEPs are no exception. Tax free does not mean risk free. If anything, there is a higher element of risk with PEPs than with a normal share portfolio because of the limits to the amount that can be invested to achieve a good spread and the forced concentration on London market stocks.

to be in shares. If you want to

Share PRPs have less obvions attractions, unless you are liable to pay capital gains and top rate income taxes. While a tax exempt fund should per-form better, the extra costs and restrictions may offset a lot of

the tax benefits.

If you believe that shares are

FS Assurance on course to change status

FS ASSURANCE, one of Britain'e smallest life assurance companies obstacle on the course to giving up its mutual status and becoming the life assurance and unit trust arm of the Britannia Building Society.
Policy holders this week

voted overwhelmingly in favour of demntualisation at an extraordinary general meeting in Glasgow, where FS is based.

Only 11 out of 114 people present voted against the

The chairman, Dr Calum MacLeod, had more than 9,600 proxies in his pocket, of which 36.3 per cent were in favour of demntualisation, although that was less than a third of the 34,000 policy holders entitled to vote.

The procedure for converting FS from a mutual into a wholly-owned subsidiary of Britannia involves obtaining the approval of the Court of Session (the Scottish high

court) in Edinburgh.
At least one opponent of the deal plans to mount a challenge at that stage, which is likely to be in the autumn. There were a number of critical speeches at the EGM this week.

If the deal goes through unscathed, Britannia will pay a total of £14m for the assets of FS. People who hold with-profits policies will share the sum of £1.75m, which is being paid for the goodwill of the company. They will receive this in the

form of a bonus on their policies, to be pald when the policies mature. The remaining £12.25m is to be paid into the

policyholders' fund of the new Britannia Life. It will be credited to individual PS policyholders according to a complex formula. This sum is said to

represent the "embedded value" of the company. is of interest to more than the 34,000 people who hold policies with the company for two reasons: for a start, FS

is the first mutual to change its status in recent times, and it is also the first time that a mutual life assurance company is being acquired by a building society. Other mutuals are watching

closely because they too may decide to take the same path a path which FS has chosen because it believes that with the decline of the independent financial adviser, it will find business hard to come by without a sizeable distribution channel.

The critics say that FS is being sold too cheaply. The most prominent among them is Colin McLean, a former deputy general manager He believes that FS could have held out for a higher price and questions whether the valuation takes full account of the improvement in FS'e portfolio caused by the 30 per cent rise in the

stock exchange this year. McLean also challenges FS on its decision to exclu holders of assured growth policies from a share of the bonus being paid to

with-profits policy holders. He contends that bolders of this type of policy, who also obtain discretionary bonuses should be treated like with-profits policy holders.

At the extraordinary general meeting he claimed that the deal amounted to a distress sale of FS. The Glasgow company's expense ratios had deteriorated as a result of salary increases for staff, the chairman and managing director - which were well in excess of average pay rises.

petition the Court of Session to allow it to change its status. Opponents will then have three weeks to register a challenge.

McLean will try to contact other holders of assured growth policies to mount a co-ordinated challenge, but he says be would probably drop his challenge if FS improved the terms for this category of policyholder. Andrew Scohhie, FS's managing director, says he has no intention of doing so

James Buxton

trusts as well, up to the maximum of £2,400. Charges vary widely although you tend to pay more for choose-your-own ment record. However, the The main point is to go for. comply with the ruling that 75 per cent of holdings must be in UK shares. schemes. Normally, when there are no initial charges groups with a good performance record in the UK, since maximum you can invest in a there tend to be higher annual management fees or "hidden" PEP investments are confined In many cases, you can choose from a selection of unit

London-based intermediary, has compiled a list of about 160 new-style PEPs offered by 90 plan managers from which private investors can choose. As the total is growing almost daily, selection can be difficult for individuals.

CHASE de Vere Investments, a

mainly to London market shares. You should bear in mind that PEPs are a different animal from normal investment funds because of the restrictions on the amount that can be invested and the emphasis on London shares. Budget the following changes

Most managers offer only

disclose commissions has

tempted many advisers to look at the possibility of switching

Many advisers have no idea how much to charge in fees for their services. One leading firm of financial advisers oper-

ating on a fee basis assesses the fee on a time-out charge

basis - that is the amount of time taken up with explaining,

recommending and arranging any contracts.

know the exact amount until the business is completed.

Alternatively, with standard

products the fee may be stated at the outset on an anticipated

time basis. Hourly rates can

range from £25 for a straight-forward contract to £140 for a

complex arrangement, such as

inheritence tax planning. Provident Life'a Bespoke

Gold Plan, scheduled to ba lannched in October, will oper-ate as follows. The adviser will

agree the fee level at the outset with his client — for example, £500 assuming that the overall

outlay for the agreed pension plan (including the fee) is £3,000 for the first year. The client makes a payment of £3,000 to Provident Life. The

adviser includes in the docu-

mentation details of the agreed fee and informs Provident Life.

The £3,000 pension contribu-tion is invested, but at the

same time Provident Life sells

enough units to cover the fee.

The £500 fee is then paid by Provident Life to the adviser.

Provident Life informs the cli-ent of full details of the agree-

This way, the client does not

to a fee basis.

Using the Bespoke approach

discretionary PEPs, where they make the decision about which shares to buy and what proportion should be placed in unit or investment trusts. There are about 40 unit

trust-only PEPs, several of which are managed by groups with a top-class UK investstand-alone unit trust or investment trust PEP is £2,400. So, if you want to invest more, either now or later, you should check if the company also is offering a share PEP that could be use for topping-up to the maximum amount of £4,800. Several unit trust groups, however, ara offering share

ment within the 14-day cool-

ing off period. This sets out the premium, details of the fee

paid, details of the charges

made by Provident Life and the balance which is invested

Provident Life does not require any confirmation from

the client at the outset that a fee structure has been dis-cussed and agreed. The com-pany adopts the attitude that

fees are entirely a matter

between the adviser and his client, and it assumes that the

client will check out the state-

ment provided by the com-

sweeping assumption, and it is at this point that disclosure

avoidance could occur. Advis-

ers may well have discussed the fee basis in general terms,

but some clients may be unaware of the size of fee charged unless they are specifi-

In the case of Provident Life, the provision of this informa-tion goes beyond SIB's rules.

SIB simply requires that cli-ents be informed that remuner-

ation is on a fee basis. There is no requirement for the adviser

or the life company to inform the client of the size of the fee, because SIB assumed that the

client would write a cheque for the fee and therefore know and

have a record of how much

was paid. So it would be possi-

hle for an unscrupulous adviser to be vague about fee

details without breaking any SIB disclosure rules, even with

the Provident Life scheme.

However, this is a rather

schemes as well as a unit trust version.

Investment trust PEPs should be better value than unit trust ones because the charges tend to be lower. However, the snag is that there are only a few on offer because most investment trusts do not

trusts although the range nor-mally is limited to a few being offered by the plan manager's group. Otherwise, there is no choice or else the manager makes the selection. There are several "choose-

As SIB's rules are in the

final discussion stages, it still has time to make adjustments

for this new development and demand the full disclosure of

Provident Life has designed

its contract so that the whole of the payment, including the fee element, is regarded as a

premium and is therefore eligi-ble for the full tax relief given

to pension contributions. For

the example given above, pay-ing fees direct results in the

Premium & fee combined £3,000

The Inland Revenue may be reluctant to accept this system

for long, particularly if other

life companies produce similar products. However, until the

Revenue seeks fit to squash the idea, clients paying fees

should nee the Bespoke

approach rather than pay direct, if only to ensure they get tax relief on the fee pay-

Eric Short

(21,000)

£1,500

£2,000

21,800

following table.

Total net cost

With a bespoke

Less tax relief at 40%

Gold Pansion:

Total net cost

Net premium

Less tax relief at 40%

Chase de Vere publishes its list of PEPs next week. You can order a copy (cost £4.50) either by asking the operator for Freefone PEP Talk or by telephoning the company on

must be the promise a system of the first of GOVETT UK SMALL COMPANIES FUND

822.5%

growth since launch and the top performing UK small companies

fund over one and five years.

Every £1,000 invested when the Couett UK Small Companies Fund was bunched on 29th January 1980, is worth £8,225 today. And over the last twelve months it has risen by 24.5% putting it at the very top of the Smaller UK Companies sector.

has performed consistently well over the last five years, during which time it has been at the top of the UK Smaller Companies unit trust sector (and the broader UK Growth Fund sector).

Why UK Small Companies?

Research by stockbrokers Hoare Covett proves that small companies have historically provided better investment returns on average over the long term than their larger counterparts. This success is generated by a combination of dynamic management, 'miche' marketing, lean workforces, and a will to succeed driven by staff who often have substantial personal shareholdings.

At John Govett we seek out those small companies that we believe will provide the best growth prospects either due to outstanding fundamental prospects, or because of special situations such as the prospect of a takeover or

unrecognised undervalued assets.



GOVETT UK SMALL COMPANIES FUND vesses the averag UK Small Companies Unit Trest and FTA All Store Index

Good UK Sool Corpora Ford

You can have a share in this potential.

Our record proves that we have invested in some of the most successful businesses in the small companies sector. And we firmly intend to continue doing so in the future. By using our considerable experience and expertise in this sector we are offering you the route to invest in a specialised

field which has historically provided first-rate returns.

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performance is not necessarily a guide to future performance. The price of units, and income from them, can fall as well as rise, and your investment is

Additional information

Protectives.

It applying for until timple Sand in response to the exherisement you will not have any right to carroif the operated by Financial Services (Cancellating Rotes 1988 Capes of the listed Managers Report and Scheme and Protection Personalizes and Addition from the Managers between the operations of the listed Sand Rotes Report and Scheme and Managers and Capes of the Interest Managers and Capes (Sand Rotes)
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Why wives should look offshore

MANY MARRIED women may be well advised to set their sights offshore in preparation for independent taxation, which starts next April, especially if they are non-earners.
At the moment, building societies and banks have to deduct tax, which cannot be reclaimed, at a composite rate of 21.75 per cent from all deposits held by UK residents. Married women who do not have their own income and who do not pay income tax still receive their interest net of composite rate tax (CRT) and thus pay tax for which they are not lia-

The Inland Revenue says that CRT is very unlikely to be abolished and that it is not considering the introduction of concessions for non-earners. So, if you are a married woman with no earnings, who will receive a personal tax allowance with affect from

April next year, you would be wise to place your savings off-shore, where the interest is paid gross. Many of the UK banks and building societies have offshore subsidiariee

this kind being promoted.

"This is not the purpose of the offshore operation, it can't handle the volume" says Alan Dunstan, marketing director at handle the volume of the proposed. Abbey National, who pointed out that the Revenue might which pay interest gross (as opposed to offshore branches which pay interest on deposits on deposits on the practice if it thought it was

Married women should prepare now for next April's independent taxation

The question of whether banks and building societies advise their UK-resident customers to switch to accounts with the offshore outlet is a rather sensitive one. Abbey National, which has an offshore operation in Jersey, said if had already heard from the avoid paying tax if they put Jersey authorities who are not their money in National keen to see offshore deposits of Savings Bank products which

being used for tax-dodging pur-

Of course, if you do open an offshore account, you have to declare tha interest earned, even if it amounts to less than the income tax allowance.

Non-earning wives can also avoid paying tax if they put their money in National

pay interest gross, such as the new Capital Growth Bonds. Alternatively they can choose investments where the tax deducted at source is reclaimable, for example shares and However, shares are far risk-

ier than bank and building

society deposits. But authorised unit trust "money funds" which invest in the money market can provide a less risky alternative. Non-taxpayers can reclaim the tax deducted at source (basic rate 25 per cent) from the inland Revenue. For a married woman, with a low income or no earnings at all, the unearned income can be offset against the planned new individual tax allowance pro-vided that the investment is in her own name, and applies to income received after April 5,

Sara Webb

RESULTS DUE

und Group

Havelock Europa ... Heath Samuel & Sc

CORPORATE profit reporting slows to a crawl next week and appears set to remain at this pace for several weeks. BICC, the cables and construction group, is by far the biggest company reporting next week and will announce interim results on Tuesday. Forecasts are for a rise in pre-tax profits from £68m to about £86m in

the six months to end-June. The results will reflect further substantial international expansion in 1988 of the cables business: a strategy which has been the hallmark of the second phase of programme of reorganisation at BICC being carried out under the stewardship of Sir William Barlow, chairman, and Robin Biggam, chief

In particular, the first half will have enjoyed benefits from Ceat Cavi, Italy's second-largest cable manufacturer, which BICC bought for about £90m last year. There will also have been good volume growth in North American cable husiesses and help from rationalisations in Australia. Meanwhile, Balfour Beatty, the construction subsidiary, will have performed strongly. However, as a result of less However, as a result of less favourable conditions for the operations have been expanded in the period following the pur-



Lord Rippon

selves to pre-tax profits fore-casts of around £17.5m (and chase last December of the outcompany reports results for the standing 55 per cent of Invesco, the US pension fund manager. six months to end-June on Thursday. This compares with Overall, the strengthening dollar, better world markets and a slight improvement in have combined to lift the fund



George Russell

management side. Insurance, however, will have been held back by rationalisation costs. Marley, the building materials and motor components group, announces its interim results on Thursday. Analysts are looking for pre-tax profits

angry when their first intima-tion that a customer is in trou-

ble comes from a bouncing

direct debit order

of £35m, up only fractionally on the £34.2m achieved in the

same period last year. The flat performance reflects the downturn in the housing markets in both the UK and US. The group has a relatively high exposure to the south of England, the worst-affected area for the construction sector. Bricks, tiles and building blocks are expected to have suffered most.

The automotive components divsion will have incurred more start-up costs during the period but is expected to see an improvement of about 10 per

Analysts expect the second half to be equally tough and are looking for full-year figures of about £66m compared with £70.2m last time. In June, George Russell, who is also the chairman of the IBA, succeeded Sir Robert Clark as executive chairman Weir Group, the Glasgow-

based engineering company, has been experiencing buoyant trading conditions during the first half which will be reflected in the announcement of strong results on Wednes-

Analysts are expecting the company, chaired by Lord Weir, to return pre-tax profits of around £9.6m during the June half compared with £7.8m in the previous corresponding

six months. Such a result would set Weir on course for a record full-year result. Traditionally, the second half makes the larger con-tribution to the annual result and the company is likely to report full pre-tax results of at least £21.5m against £17.7m last

Weir has achieved a sound industrial and geographic spread of orders which are standing at £210m, substan-tially in excess of the likely

annual turnover figure.

Increased spending in the UK water industry in the run-up to privatisation will strengthen the order book con-eiderahly in future years. Pump production for water supply and sewerage at present comprises 16.4 per cent of the order intake.

David Barchard examines the attitude of the lenders as many borrowers start to feel the pinch

(THE WEEK AHEAD)

Interest rate rises push up mortgage arrears

WITH INTEREST rates much higher than they were a year ago, many borrowers are feel-ing the pinch, especially those who entered the housing market in the spring of 1988. This week, the Building Societies Association published figures which show there has been a definite - although so far modest - upturn in the number of people with their mortgage payments more than six months in arrears.

This figure is, of course, only the tip of the iceberg. Jim Murgatroyd, assistant general manager of the Halifax, the largest UK mortgage lender, says his society was aware a year ago that many lenders were going to be put under strain by inter-est rate increases. Since then, rates have risen by about three percentage points.

We adjust interest rates for the vast majority of Halifax borrowers once a year," says Murgatroyd. "This April, when the most recent adjustment was made, rates climbed from 9.8 per cent to 13.5 per cent. is where we are trying to hold them. But we had been

warning people months before-hand that a hefty increase was coming and thet times would

rather rosier picture and ana-

lysts are committing them-

boping for more) when the

The group's substantial US

£15.7m last time.

be tough. Halifax is holding its own mortgage rate to 13.5 per cent sven though the banks' base rate, which sets interest levels in the money markets, has been 14. Murgatroyd says the society will do this "as long as

All mortgage lenders are aware that many horrowers are under great pressure at the moment because of high interest rates. Trying to cope with this situation has become the dominating feature of the

mortgage market in 1989. in fact, most of the new-style low-start and deferred-payment mortgages appearing on the market this year are designed for people who find it difficult or impossible to keep up with their original schedule of pay-ments on a standard variable

Switching to a different kind of mortgage can trim your monthly outgoings, but remortgaging has its own costs (for example, a new survey and

any gains from reduced payments for several months. And there could be other disadvan-

Low-start mortgages often mean substantially higher

monthly payments after two or

People with serious arrears' problems fall into two classes. There are those who simply

'Those who find they simply cannot pay their monthly outgoings in full should review the situation early'

With bouse prices static or falling, some expectations from re-mortgages are frustrated at the valuation stage. "I get cus-tomers who bought at the height of the market last year and think the price of their house has risen," says Ron Walton, deputy chairman of mortgage broker John Charcol. "But the valuation tells them that their assets are less than they thought."

Those who find they simply goings in full should review the situation early. Mortgage

don't have the income to sustain their mortgage, perhaps because divorce or job loss has changed their circumstances radically.

The outlook for these people is very difficult and, unless they can find some way of increasing their income, selling and moving into rented accom-modation might be their only

For those whose job circumstances and income have not changed, things generally are less bleak (although this might

problems which

Brewster*.

used to a high salary and the cushioning effects of a

with perks such as company

housing, servants, and free schooling for the children.

Two of the companies in

the study stated that tha

salary or life-style, or the

operation, could not be

reproduced at home.

ability to control their own

rower who has let unsecured debts pile no elsewhere for several months before defaulting on a mortgage payment, so bringing the roof over their head into jeopardy).

Mortgage lenders are aware of this, and their general policy is to avoid panicking the borrower with impossible sudden demands. Their usual line with problem borrowing is to watch for six months or so to see how the situation develops.

So, if your direct debit mandate does fail because there is too little money in your account to pay, do not take any temporary silence by your mortgage lender as a good sign, or an indication that the efault has not been noticed by

the computer. Rather, a prudent borrower should try to ensure that the flow of payment is kept up as much as possible. The less your backlog, the less risk you are in. A total of unpaid arrears equivalent to three months' payments is the sort of level of bad debt which might trigger serious threats

by the lender to force you to Discussion with your lender

is also to be recommended although, obviously, this will obviously be easier if you have a huilding society mortgage with a local branch manager to whom you can turn.

It used to be said that build-ing societies were likely to be more tolerant of lending diffi-culties than centralised lenders such as the mortgage compa-nies. To the extent that building societies get the funds for mortgage lending from small savers, and not from the money market, this could be

But the centralised lenders have their long-term reputations to consider and they know a lot about their customers. If the latter genuinely have been blown off-course by unforeseeable changes in the economy, then lenders will do all they can to find a way to make the situation work.

After all at a time when After all, at a time when

house prices are falling, repos session and a forced sale could be risky for them, too.

terrburger Brooks DIVID MAKETINE ABB Kent Holdings BPP Holdings . Gold & Base Metal Mines 4.0 4.1 0.7 10.5 4.25 11.5 Rentold! Group Eastern Invest Tax

3:111

Competty	Year			her appe (b) garnjoës,		per abare (p	
Howard Holdings Jos Holdings Noble & Lund Pitco Holdings Randsworth Trust Raxmore Smith WH Group SäP Return Asset Shavert Zigomala Wentworth in L West Trust Wholesale FM.		2,730 710 ## 3,020 L 2,850 7,640 2,260 89,700 2,500 70 388 519 7,440	(2,340) (570 ##) (1,470 L) (2,021) (8,580) (1,730) (70,400) (2,000\$) (82) (805) (305) (313 L) (6,780)	7.0 4,78 52,6 9,82 9,0 27.0 7.57 17.3 5,32 1,26 36.5	(8.0) (3.74) (-) (35.8) (6.25) (7.00) (23.6) (4.92) (14.9) (5.11) (-) (31.5)	1.5 4.25 1.0 12.0 1.5 2.25 10.4 4.36 15.15 1.8 0.25 15.98	(7.3) (3.4) (1.5) (8.5) (2.6) (1.6) (12.7) (12.7) (12.9)

INTERIM STATEMERTS

Сопреду	to (2000)			Mirjdende" per alegre (p)		
AAF investment Corp.	June	1,590	(6.870)	4.5	(2.5)	
Associated-Henriques	June	1,200	(653)	1.0	(0.75	
Blogden Industries	June	5.800	(4.040)	4.2	(3.9)	
Britannio Assurance	June	43.520		6.5	(6.6)	
British Telecom.	Juntt	636,000			(-)	
EFT Group	June	712	(522)	0.3	(0.2)	
Europeen Home Prods.	june	17,070	(12.490)	2.5	(2.6)	
Emiaura Holdings	June	71 L	(26 L)		-	
Explor. Louisiana	intere	748 4	(L480 W)		i-S	
F&C Enterprise Trust	June		:(312.1)		(4)	
Pite Indinet	June		(182)	0.75	0.75	
First Scott American "	July	9.580 A		7.0	(6.0)	
Gartmore Info & Fir.	June	575 ¥	(688 T)	0.42	(0.42)	
Gankell	June	1.040	(1,020)	2.8	(2.5)	
General Accident	June	126,500		17.5	(15.5	
	-Apr	360	(313)	14	(-)	
Hanson	June‡	742,000	(805,000)	٠.	(-)	
Johnson Group Clean.	June	12,340	(6,750)	7.0	(6.2)	
Laird Group	June	20,200	(17.400)	3.9	(3.5)	
March Group	Apr	117	(113)		(0.84	
Microvitec	June	1,130	(912)	0.75	(0.75	
Monument Oil & Gas	June	2.560	(1,220)		(-)	
Newmerket Venture	June .	606 L	(442 L)	-	(-)	
Nichola JN (Yimto)	June	4.760	(3.070)	4.0	(3.5)	
Plasmec	June	468	(436)	1.8	(1.5)	
Portmetrion Potts.	June	1.240	(775)	1.8	(-)	
Quotient	June	1,980 L	(517)		(1.4)	
Rea Brothers Group	June	575	(400)	0.25	(0.25	
Royal Insurance	June	119,600	(154,000)	10.7	(9.5)	
Royal Savereign Grp.	June	912	(786)	1.4	(1.2)	
Queens Most Houses	July	24,000	(17,200)	1.06	(0.85)	
SD-Scicon	June .	1,000 L	(4,340)	0.27	(0.27	
Sphere Invest. Tst	June .	2,850 †	(2.720 t)	0.87	(0.87)	
Spice	Mar ·	4,810 L	(268)	•	()	
Standard Chartered	June	48,000L	(156,000)	12.5	(12.5)	
F&N Holdings	Jun**	14,100	(9,800)	11.0	(11.0	
Transport Develop.	June	19,240	(20,200)	3.0	(3.0)	
Jnilever	June	787,000	(689,000)		()	
JSDC investment Tet	June .	700 丑	(968 全)	1.0	(1.0)	
Whitegate Leisure	July	33	(··)	•	(-)	
Figures in parentheses					• •	

Help for first-timers

FIRST-TIME buyers will need no reminding that this is an borrower will be expected extremely difficult time to find a 5 per cent deposit. enter the mortgage market. The gap between average incomes and average house prices has widened steadily since 1984.

With multiples of between three and 3.5-times income being applied to mortgage lend-ing, there is very little in London and the south-east that is still within range of people earning less than £20,000. Several lenders are now com-

ing up with mortgage products to help first-time buyers get a foot on the ladder. At the beginning of this month, the Hallfax Building Society offered a package combining a 1 per cent discount on its usual rate and loans of up to 95 per cent of valuation.

Woolwich, the fourth-largest society, has come up with a scheme which it says is a lowcost solution for those unable otherwise to afford a home of their own, particularly in the south-east. If the purchase price is £75,000 or below, the Woolwich advances a mortgage

purchases up to £100,000, the borrower will be expected to He is then charged interest in the usual way on part of his

payment of interest on the other part is either reduced or waived. However, the Wool-wich is entitled to 30 per cent of the increased capital value of the house when it is sold.

'There is little in the south-east that is within range of people earning under £20.000'

By way of example, the Woolwich say that payments on a £70,000 loan would be cut by £210.94 a month to £576.49 instead of £787.43.

Many mortgages of this type are offered through builders. One of the most innovative to appear so far was announced by hroker John Charcol this

Woolwich advances a mortgage In conjunction with the loan of up to 100 per cent. On Portsmonth Building Society.

it is offering a product called the Partnership Mortgage. This splits the cost of buying a home into three parts.

First, the borrower must find a 5 per cent deposit. He can then get a mortgage covering the next 75 per cent of the cost of a property, based on income multiples of 2.85 joint or 3.25 single plus one secondary

The interest rate is slightly on the high side by hullding society standards at 13.95 per cent, but not unusually so. That leaves 20 per cent of the price to find. For this, Charcol

offers an entirely separate loan. No repayment of this is expected for four years; after that, horrowers can repay 1/7th of the loan plus interest until the 10th year.

By then, they should be well-established on the housing ladder and probably ready to move up. In fact, most firsttime buyers sell and move on after only 30 months.

However, only a limited initial allocation of £95m is available for the Partnership Mortgage and most of it will be offered through Barratt Developments and Wimpey Homes.

Career expatriates can often develop rather unrealistic memories of "The Old Country" and the return he can threaten all their

Home, unsweet home

ONE OF THE commonest assumptions. Such problems are compounded by the fact multinationals experience that top job options back home with expatriates is what to are limited severely. The study found that, in

do with them on their return, en in cases where a tou these circumstances companies had coped with the of duty has been completed successfully. Most repatriates problem but not solved it. Often, they create temporary find it difficult to adjust to life back home according to or new jobs, or re-assign tasks a new study. The Management to create space for the repatriate. There is, however, evidence that some of Expatriates, by Dr Chris While abroad, they become

multinationals are now trying accustomed to being in charge and exercising their independence. They also grow to be more positive in their approach. One German company tries to ensure that career expatriates can choose the life-style that comes complete country of their final posting, including their home country. Their remuneration package will be maintained, even if

the joh available is of a lower status. Using a different approach, a Swedish company runs regular repairiation problem with expatriates was "getting them to come back." Apparently, this was because the expatriates felt their courses for managers before they return to Sweden. But if the employment of

expatriates is fraught with so many hazards, why do companies continue to use them? Brewster concedes this point has been the subject of much speculation but limited

There appear to be three

main reasons in favour of employing expetriate

M Staffing. Local staff cannot fulfil the requirements of the job; thus, someone from the dquarters' country has to be sent out to fill the post.

- to provide younger high-fliers with the opportunity to experience new situations, develop new skills, or run their own operation away from headquarters.

■ Organisational development - to provide experience of the ways different countries do things, to develop adaptability and flexibility, and build up international contacts and networks.

All three reasons are subject to two potentially conflicting trends. First, the total number of expatriates is declining as many governments around the world prefer at least some of them to be replaced by local Conversely, many

companies are expanding their

operations into new (for them) foreign countries and creating foreign countries and treating
more expatriate positions.
Overall, the study reports,
it is unclear which of these
trends predominates as there
are no reliable statistics on the numbers of expairiates.

Brewster is quite clear on one important point. The resources devoted to expatriates exceeds those devoted to almost any other comparable group of

employees.

The danger that
multinationals will be forced to manage this "expensive and crucial group of employees by the wasteful process of trial and error" is a very real one,

British multinationals operating within and outside Europe, and transferring managers internationally, form the core of the resear although companies from France, Germany, the Netherlands and Sweden also are included. Among the companies taking part in the study are Air France, Barclays Bank, British Airways, GEC, Heineken, Philips and Shell. *The 46-page study

(including an extensive bibliography) is available from Cranfield Bookshop, Cranfield Institute of Technology, Cranfield, Bedford MK43 OAL, at £5.95 (inc. p&p) in the UK.

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	Quoted	Compoun	ed return	Frequency	Tax	Amount	
	raio %	25%	eyers at 40%	ol peyment	(see notes)	invested £	Withdrawa (days)
CLEARING BANK*							
Deposit account	4.50	4.60	3.68	monthly	1		0-7
High Interest cheque	6.50	8.70	5.36	monthly	i	500-4,999	. 0.
High interest cheque	8.00	8.30	8.64	monthiy	i	5,000-9,999	. 0.
High Interest cheque	S.40	8.70	6.96	monthly	i	10,000-48,888	ŏ
High interest cheque	8.80	9.20	7.36	monthly	i	50,000	ŏ
BUILDING SOCIETYT					-		
Ordinary share	8.00	8.09	4.87	half-yearly	1	1-250,000	•
High interest access	8.00	8.00	6.40	yearly	i	500	.0
High Interest access	8.25	8.25	8.60	yearly	i	2.000	Ö
High interest access	8.75	8.75	7.00	vearly		5.000	ŏ
High interest access	9.00	9.00	7.20	yearly	i	10.000	ŏ
90-day	8.00	9.20	7.38	haif yearly	i		
90-day	8.45	8.87	7.74	half vearly	1	500-9,999	90
90-day	10.00	10.25	8.20	haif yearly	i	10,000-24,999 25,000	90 90
NATIONAL SAVINGS							
Investment account	10.75	8.06	8.45	yearly	2	5-100,000	1 mib
Income bonds	11.50	9.09	7.28	monthly	2	2,000-100,000	3 mths
Capital bonds	12.00	9.00	7.20	yearly	ź	100 min.	
34th Issue?	7.50	7.50	7.50	not applica	3		3 mths
Yearly plan	7.50	7.50	7.50		3.	25-1,000	6
General extension	5.01	5.01	5.01	not applica		20-200/month	14
	10.0	J.U1	5.01	not applic.	3		8
MONEY MARKET ACCOUNT						:	
Schrodar Wagg	9.98	10.45	8.36	monthly	1	2,500	. 0
Provincial Bank	10.27	10.77	8.62	monthly	1	1.000	Ŏ
UK GOVERNMENT STOCKS			-				
5pc Treasury 1988-89	11.50	10.28	8.54	half yearly	4	н	Ö
Spc Treasury 1992	10.89	8.81	7.56	half yearly	4	_	ŏ
10.25pc Exchequer 1995	10.24	7.68	6.15	half yearly	4	_	ŏ
30c Treasury 1990	8.43	8.65	8.18	half yearly	. 7	_	ŭ
3pc Treasury 1992	8.88	8.07	7.58	half yearly	7	_	
Index-linked 2pc199255	7.73	7.23	6.92	haif yearly	2/4	-	0

SSource: Phillips and Drew. SSAssumes 5.0 per cent Inflation rate. 1 Paid after deduction of composite rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

■ Peter Gartland is editor of The International, the FT's magazine for expatriates.

FINANCE & THE FAMILY

Share transfer to reduce tax

1 PROPOSE transferring some of my shareholdings into my wife's name in order to reduce wife's name in order to reduce my income tax liability from April 1990 onwards. Am I lia-ble to pay capital gains tax at the time of transfer or is the tax due when the shares are sold, assuming the sale takes place after April 1990? In the latter case, is the rate of capi-tal gains tax dependent on my tal gains tax dependent on my marginal tax rate or that of

marginal tax rate or that of my wife?

1 transferred some of my shares into my wife's name in 1988. Does this change the cap-ital gains tax liability? There will be no change in the existing rule that the transfer of a chargeable asset between husband and wife does not give rise to a capital gains tax charge provided that they are living together. But,

the husband and wife each get their own annual exemption (now £5,000) before being liable to pay capital gains tax. It is also proposed that income from simple outright gifts of assets between husband and wife will be taxed as the income of the recipient and not as the income of the person making the cift

Bank might fall

MY SMALL garden has a boundary with a holiday cot-tage 20 ft below. The boundary is almost sheer and is a mix-ture of earth and stones. It runs the rear length of the cot-

frost. There is now a substantial growth of elm shoots, which I keep trimmed, but I cannot cut the overhang which now touches the conservatory roof. There is a definite risk of

Investment newsletter

I AM considering publishing a monthly/weekly newsletter containing suggestions and recommendatins for the sale and/or purchase of invest-ments. The intention is for this to be available by sub-

1. Does the company (or, indeed, its directors) have to be licenced or registered under the Financial Services Act?

2. Does the registration of the company offshore obviate the need to register as above?

3. Can advertisements to attract subscribers be placed in the press? 4. And are there any other important matters to be con-

required to obtain a licence.

3. Yes, once you have regis-4. For your more general query, you would be wise to consult a solicitor.

Terrorised by bees

A RELATIVE lives, in a house with a medium-sized garden. At the rear is another house with a similar-sized garden in which several beenives are kept against the party wall. The bees from these hives have flight paths across my relative's garden and tend to congregate around the fruit trees therein. The bees have swarmed on these fruit trees at times. My relative and his family are fearful of nsing their garden for enjoyment due to the risk of being stung which they have been on sev-

The local council's environmental health department refuses to take any action and claims that there is no by-law to prevent bee-keeping. The occupants of the house next door have been asked to abate the nuisance by my relative but disclaim responsibility, saying the bees are kept by

Do you consider that the council has a duty to secure an abatement notice on the person cansing the nuisance because of the risk of injury to health and, if he does not comply, then to ask a magistrate for an enforcement order? We think there is not sufficient risk of injury to health to enable the council to intervene unless it could be proved that the bees were a particularly irritable strain and more likely to attack than ordinary honey

After a

crash . . WHAT happens if a building society goes bust? I believe I get 90 per cent of my savings back up to £28,000. But what happens after the £20,0002 The investment protection under the Building Societies Act 1986 safeguards 90 per cent of your deposits (in total) up to a limit of deposit of £29,000; so amount which is safe on a drawn and as to whether recti-deposit of £20,000. The deposi-tor must prove any excess in sought under the new jurisdic-the winding-up, along with the conferred on the court by other depositors, and take a section 20 of the Administra-pro-rate share of the assets. £18,000 is the maximum amount which is safe on a

The inland Revenue has just issued two new leaflets on capital gains tax which explain the new rules: CGT 14 — An introduction and CGT 15 — A Guide for Married Couples. These are in addition to the special leaflets on taxation, IR 80/81 and 82. All are available free of charge from local tax offices and tax enquiry centres or from the Inland Revenue Public Enquiry Room, West Wing, Somerset House, London WC2R 1LB.

the hank falling because of this weight of growth. I have written twice to the

owner but he does not reply or communicate with me on his hrief visits. I am very concerned about my liability in the event of the bank falling.

As a matter of strict law, runs the rear length of the cot-tage, which has a conservatory built up to the boundary. Originally, my garden had three class and a hedge along the boundary, but the class had to be cut down and the hedge was killed in the 1987 frost Thorn is now a substanthere is nothing more that you can do. However, as a matter of practicality, this might be a case for a judicious (and careful) breach of the civil law by trespassing on your neigh-bour's land for long enough to

to make the bank secure.

cut back the growth and do whatever might be necessary

BUSINESS BRIEF

Wife gets equities

I AM convinced by your articles that it would be beneficial to transfer our equities, now in joint names, to my wife. What is the best way of doing so? We have 40 different shares besides unit trusts. Share transfer forms are obtainable from husiness stationers. Make sure that the stamp duty exemption certifi-cate on the back of each form is completed correctly before the forms and share certifi cates are sent to the respective registrars. Write to the unit trust managers regarding

transfers of units. **Mortgage** payments

l AND MY my wife have a £36,600 endowment mortgage with the Abbey National. It has 19 years to run. Although I realise an endowment mort-gage is, in principle, one where you pay only the interest, I would like to know if there is anything to stop me paying a modest amount say £10 a month - over the required amount, so reducing

the principal? Normally, there would be nothing to stop you paying off part of the principal, as well as interest, as you propose; but you should first check with the building society that the terms of your mortgage do not make this uneconomic.

Will is unclear

I AM MY late aunt's sole executor. Her will was drawn up by a firm of solicitors but its meaning is unclear and open to more than one interpretation. The latest automatical than the solicity of the solicity pretation. This is now admitted by the firm but the partner concerned is dead. My own solicitor advises me to counsel's opinion and I am inclined to agree. How can I persuade my aunt's solicitors to foot the bill which arises as a result of their unsatisfactory

■ Apart from exhortation, you cannot at this stage persuade the firm which was instructed to draft the will to pay for sort-ing out the problem. If it becomes clear later on that the instructions were not carried out properly, the estate might possibly have a claim against the surviving partners (if any) of the draftsman of the will but that is far from clear now. You certainly should seek counsel's opinion, both as to

Christine Stopp thinks a new device for measuring the performance of unit trusts will prove useful Let's give a cautious welcome to risk ratios

IN THE post-crash world, unit trust investors have become much more aware of risk indeed, fears of another sharp decline in share prices have meant sparse unit trust sales

for many months. However, with the introduction of volatility measuring, by the Micropal statistics service, the small investor may have a useful tool for rating the 1,300 unit trusts available according

Risk-rating is not entirely new in the UK. A number of groups provide a guide to risk by numbering their funds, or identifying a range of risk categories, and more technical rating systems are used by fund managers for their own con-sumption. The Micropal system, which

is previewed in the September issue of What Investment, provides a volatility ratio figure for each fund. The figure mea-sures the degree to which the fund fluctuates above and below its own mean performance average. The higher the ratio, the more volatile the fund, and vice versa.

The graph illnstrates the

principle. It shows two income trusts and their movement around the mean. The more volatile trust, PK English Trust Income Fund, was up by 77.9 per cent over three years

UK equity income sector (0 - 7.763)rovidence Capitol UK High Income Equity ($\sigma = 5.062$)

to 1 August and ranked 13th in its sector. It has a risk ratio of 7.768. The Providence Capitol UK High Income Equity Trust grew hy 66.2 per cent, and was ranked 37th. Its ratio is 5.062.

In other words, the PK inves-tor saw a better performance, but at a higher risk. He stood more chance of poor perfor-mance over shorter periods of time within the three-year period.

Even the most enthusiastic proponent of risk ratios is not suggesting that they should be ed on their own. However, taking two trusts with similar performance and comparing their volatility could be help-

A volatility ratio can, to a certain extent, be used to assess the future prospects. A fund which has proved highly volatile should, barring signifi-cant portfolio or management changes, behave similarly for the future.

This does not hand investors a crystal ball, hut at least it

enables them to assess their risks more accurately. The sort of fund to look for is one with

a strong past performance record and a low volatility Abbey Unit Trust Managers have offered risk ratings on their funds for over a year, and feel that the system has a lot to offer. "In an era of beat advice, to focus purely on the return element is only to give half the picture," saya Paul Lahand, deputy managing director of Abbey Life Insurance Services, though he acknowledges that explaining risk ratios in a "user-friendly" way is a problem.

Fidelity is another group which has started to produce risk ratios, at least for broker consumption. Other major Tregoning at Save & Prosper is "not convinced thet risk rating serves to guide the man in the street". UTA chairman John Fairbairn expresses the Associ-ation's view, which is unequiv-ocally against a full risk rating

"I feel it doesn't do any good, "I feel it doesn't do any good, and might do some barm. As a scientific tool, I want it to be forgotten. Once you put numbers on it, it becomes too spuriously scientific," he says.

The main reason given for such strong feelings is that investors might not understand what risk rating is all about, and may misuse it, equating low or high risk with similar performance.

similar performance.
Peter Fuller, editor of What Investment, thinks this is a

patronising attitude to take of investors, and may simply be an excuse on the part of the industry to withhold information from the consumer. "Unit trust companies should explain the risks clearly and then provide an objective framework to allow for their measurement".

Risk rating, in giving a guide to the volatility of a fund's performance, makes fund manage-ment techniques a little more transparent. This may be one reason for some managers' reluctance to admit risk ratios. Another is the feeling that risk rating is one more mechanical US technique which may serve to devalue the personal touch inherent in traditional fund

management.

John Fairbairn says his own group, M & G, "has always been rather sceptical about the academic approach to invest-ment analysis. It's a question of "feel". A manager should be aware of all the different approaches, but in the end it comes down to flair and experience". M & G's performance record does not suggest that they have got it all wrong, but then, neither does Fidelity's.

The fact remains thet risk rating is widely accepted by overseas investors, with many foreign funds rated as a matter of course. There is no reason why UK private investors should be starved of information which is important for their investment decisions, and with an increasingly professional and international financial services industry, mea-sures of this sort are probably

chance to ride a tiger

PRIVATE investors and fund managers with a penchant for small exotic markets are no doubt rejoicing at the Department of Trade and Industry's decision this week to allow Thailand to join the list of approved markets for unit

Investors who want to put their money in the so-called tiger markets (such as Taiwan and South Korea) and emerging tigers (Thailand, the Philippines, Malaysia and Indonesia) of the Far East do not always find these markets accessible easily, in some cases, foreigners are unable to invest directly in the stock market and have to buy into a managed fund - an investment trust or unit trust - if they wish to take part at all. Until recently, unit trusts have had limited access to the Bangkok stock market. Like

the Philippines, South Korea,

the supermarket chain of a

specified number of shares in

their company in future at a price fixed on the grant date (usually the market price on that date). Assuming the share price rises, the employees will later "exercise" their options:

that is, buy the shares under option at the pre-determined

and Taiwan, Thailand was not an approved market. Unit trusts are allowed to invest only up to 10 per cent in such unapproved shares. But following the presenta-tion before parliament of

amendments to the unit trust regulations, managers will be free to invest a substantial part, or even all, of their money in the Thai market if they desire. And, indirectly, this will mean that the 10 per cent allocated for unapproved markets can be used to build up slightly larger holdings in the other emerging tigers. So, the South-East Asian funds will be able to invest in a broader spread within the region, giving them a more diversified portfolio.
"All the South-East Asian

markets have grown very fast and erratically - although they are not synchronised with lot of benefit by spreading your investments rather than taking the risk of playing hopscotch between Hong Kong, Singa-pore/Malaysia and Thailand," says John Custance Baker, managing director of James Capel Unit Trust Management.

Fund managers like to enthuse about Thailand for several reasons. They are excited by its economic growth (GDP growth is forecast to be 9 per cent this year), strong corporate earnings, and a stock market that has attracted a stream of new listings in

facturing hase has been enhanced greatly.
It is possible for foreign investors to huy That stocks

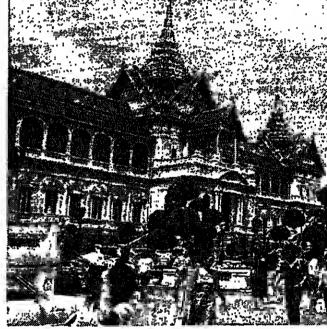
directly (147 different ones are available to foreigners), hut one of the main disadvantages is that it is expensive because of the settlement costs. From the fund manager's or

investor's point of view, therefore, it does not make sense to buy a little of everything and chop and change the portfolio

Could the approval of Thai-land lead to other markets in the region joining the ranks of recognised bourses? The DTI says it is not considering the approval of other markets there for the time being.

So, investors who are keen to invest in the South Korean and Taiwanese markets which are closed to foreigners - will have to continue using the investment trusts and closed companies that are listed in London or New York.

Sara Webb



THE TAKEOVER of Gateway put the spotlight on an increasingly goodlate form of employee Phantom' options catch on

th	e supermarket chain of a								
"phantom" share option scheme, several months before		Benefits under approved and phantom share schemes							
pr	edator Isoceles made its first ove, resulted in directors and	Type of scheme	No. of shares under option	Employee's Gross	profit Ne1	Employer's Gross	cost Nel		
la	her senior executives netting rge cash sums when the deal ent through. With a conventional share	Approved scheme Phantom scheme	3,000 3,000 4,600	£1,500 £1,500 £2,300	£ 900 £ 900 £1,380	£1,500 £1,500 £2,300	£1,500 £ 975 £1,500		
op	tion scheme, employees are anted the option to buy a	So, a phanton	n scheme is	However, while	a company	poration tax ra	te, no deduction		

So, a phantom scheme is essentially a way of paying extra remuneration to employees by reference to the company's performance as reflected in the movement of its share price. Pay-outs from such a scheme are regarded by the taxman as just another form of salary and are taxed as income in the employee's

The key difference between a share scheme and a "phantom" (or shadow) scheme is that Until last year, the income tax liability of up to 60 per cent when a phantom option is exercised, the option-holder made phantom schemes much less attractive than approved share schemes, which levied has no right to acquire shares in the company. Instead, he only a 30 per cent capital gains gets a cash amount equal to the profit he would have made tax charge. But the merging (since April 1938) of the rates had he exercised a real share option and then immediately sold the shares. at which income and capital gains are taxed has eliminated

However, while a company will reduce its corporation tax hill using phantom payments, a company running a share scheme will not be entitled to a deduction for the "opportunity cost" of issuing shares under the scheme at less than their full value.

The overall benefit of a scheme, now that the tax effects for employees have been neutralised, is illustrated by the figures in the table. In each case, the option-holder's profit on exercise is 50p a

This profit is taxed at 40 per cent under both schemes but, whereas the phantom scheme gives the company a deduction at the present 35 per cent cor-

poration tax rate, no deduction is available under the approved The result is that an option

for 3,000 shares will give the same net benefit to the employee under either scheme - but at a net cost to the company of only £975 under a phantom scheme, compared with £1,500 under a share Looked at another way, for

the same cost as an approved option over 3,000 shares, a company could grant a phantom option for 4,600 shares which would hoost the employee's take-home gain by more than 50 per cent - from £900 to

On this basis, you might expect to see a headlong rush from shares to phantoms. How-ever, although phantom schemes are undoubtedly on the increase, a number of fac-tors are likely to inhibit their

First, there are some addi-tional costs involved in the use of a phantom. The company has to pick up the tab for employers' national insurance contributions at 10.45 per cent of the amounts remitted to the employees, whereas there is no such liability on share scheme benefits. Although the employee pays

tax at the same rate under each scheme, he will pay much earlier under a phantom because the tax will be deducted through the PAYE system. By contrast, approved share gains are not taxed until the shares ultimately are sold; and even under a non-approved scheme the employee will have a period of grace, usually of at least a year, following the exer-cise of his option.

Second, the comparison of tax-effectiveness does not bring

important feature: although the exercise of approved options hrings money into a company's coffers, the triggering of phantom options has the opposite result. In some cases, this adverse cash flow impact might well outweigh the fiscal advantages of phantom

Finally, if the company's objective in setting up an incentive scheme is that employees should be encouraged to identify more closely with the company's fortunes. then a phantom scheme may not do the trick. A fat cheque might be no substitute for a share certificate and the dividend and voting rights that go with it.

If, however, the employees really are looking only for a cash reward - and are, therefore, likely to sell their shares immediately after exercise this psychological factor will he devalued and the attractions of a phantom scheme

David Cohen ■ David Cohen is a partner in the City law firm of Paisner

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James Buxton on a problem for Scotland

Entrepreneurs who go

SCOTLAND, the land of the fabled enterprising Scot, is not producing as many business start-ups as it should. That oaturally bothers Professor Micbael Scott, whose task at Stirling University is to nurture entrepreneurs.

Despite some positive signs and enthusiastic rhetoric from Prime Minister Thatcher, among other politicians, the statistics on enterprise in Scotland still are discouraging. Between 1980 and 1987, the share of Scottish weekly household income from self-employment fell from 7 per cent to 5.5 per cent. Net VAT registrations between 1980 and 1987 increased by 11.4 per cent in Scotland, while going up by 13.9 per cent in the UK as a whole. Only 2.9 per cent of 292 USM flotations since 1980 have involved Scottish companies. Scott, who runs Stirling University's Scottish Enterprise

Foundation, puts much of the blame on an employment structure which the Government is not doing enough to change. Scotland, he says, has a disproportionately large working class and the working class "is simply not as good a seedbed of business idees as the middle class."

He argues that a working-class person who has been made redundant might be able to create work for himself and a few others, but is unlikely to establish a big business. Yet, the Government compounds the problem by its strong promotion of inward investment into Scotland (and other outlying parts of Britain) by over-

seas companies.

The branch plants which multinationals set up supply jobs for the working class, but provide disproportionately few opportunities for the middle classes since the plants concen-trate on manufacturing and usually lack the marketing. finance, and research and development departments of a

normal independent business. "You're taking eway many of the people who would create an entrepreneurial seedbed," says Scott, a straight talker from the north-east of England. "They have to go elsewbere to get jobs. The problem is not that Scotland doesn't produce entrepreneurs; it's that it pro-duces entrepreneurs who leave



Professor Michael Scott . . . "We mustn't neglect the start-ups"

strategy for business start-ups, in Scotland or anywhere else. "Start-ups were the fashion five years ago. Now, there's been a shift to looking at growing companies. But we mustn't neglect the start-ups: only by having a good flow of start-ups will you have the companies of tomorrow. You've got to have lots and lots of them because you can't predict which ones will be successful."

The Scottish Enterprise Foundation is, nevertheless, doing as much as it can to dis-cover and foster entrepreneurial talents. It is itself an entre-preneurial organisation, since it has to raise almost all its own finance (it spends £700,000 e year) before it can act. Two of its target groups are gradu-etes (it runs post-graduete courses for language students, for example) and women. "With current demographic trends, women will become very important es business people," says Scott. "A woman might get to the top running her own business, which she might well not do in other people's businesses where there is often an invisible 'glass ceiling' on their promotion,

Stirling runs 10-week, part-time, non-residential courses for women which Scotland."

Scott complains that the Government doesn't have a involve 2½ days' teaching a for the idea of sett week. "We take 20 at a time their own. It's an ent cach them such things as ial idea; let's try it."

how to validate their ideas ble), to identify and acquire the necessary resources to run their businesses, and how to run them when they get off the ground. And we provide training in assertiveness. A lot of women may lack the assertive-ness they need in dealing with men, notably the bank man-

Another area Stirling assists is the generation of ideas. "A lot of people beve the resources and the motivation to start their own business but they lack the ideas or can't validate or articulate them. This, he says, applies particu-larly to employees and to peo-ple who have heen made redundant. Stirling runs one-day worksbops to encourage people to dredge-up ideas and talk them through. But Scott thinks that many

of those best-qualified to run their own businesses ere among the managers of existing companies - "people who are street-wise in the business sense. They become disilla-sioned with big companies. The dream of self-employment is now a permissable dream in the UK. I'd like to run weekend courses for corporate managers to steel them and prepare them for the idea of setting-up on their own. It's an entrepreneur-

ONLY FIVE years ago, it was still the conventional wisdom that the ideal accountants for the small business worked together in a two- or three-person partnership because there son parmership because there would always be someone there to help you, even if only one partner knew your business well. Large firms were out the business tiddler would always be too unimportant to matter and the fees would be too high. At the other and of

too high. At the other end of scale, one-person practices were too small: there were bound to be times when you needed help but your accountant was on holiday or ill or working for someone else.

Attitudes have changed markedly since then. The big firms began to wake up to the potential of the small business sector early in the 1980s and. by 1985, most had a generally affordable structure in place for dealing with it. In the same year, the Institute of Chartered Accountants started a promotion campaign, taking advan-tage of the relaxation of the rules on advertising profes-sional services. One thing it pushed was the suitability of the sole practitioner for the

Most small businesses still egard their accountant solely as their interface with the Inland Revenue for minimising tax bills. The accountant adds the finishing touches of what few capital allowances are left for the car and business equip-ment, and advises on things

IT WAS a Monday morning and raining when the VATman came to call. I had awaited his arrival with epprehension. It was my first visit from him and, judging from what I had heard, it could turn out to be

nasty and expensive.

I had been running my new, and very small, London publishing business for just over 18 months, sending my val-ue-added tax (VAT) returns (and cheque) religiously every three months. The sudden and unexpected call from the local Customs and Excise office, say-ing they wanted to come along and see me, came as something of a shock.

The dour Scottish voice making the appointment gave nothing away. No reason was given for the visit.

Bearing in mind the reputa tion of the VATmen as being even more ruthless than income tax inspectors, I was worried about wbether my extremely rough "books" - a simple receipts and purchas record bought from the local stationer - would pass musIan Hamilton Fazey on a change of approach

Accounting for taste

like year-end lump sum pension premiums to maximise relief in the 40 per cent tax hand. However, accountants can be much more creative than that, and many are now pressing entrepreneurial small businesses to look at them more widely.

Accountants claim they will always negotiate a better deal on loans or other funding because they will operate dis-passionately with only their client's interests at heart. They will certainly try several sources, while most small businesses will usually ask only their bank. The institute also sees the accountant as a training adviser for people minding their own businesses, teaching them how to be businessmen or women. Many sole practitio-ners act for a little network of small businessas, acting as finance director for each of them and applying lessons learned from one among the

At the same time, the big firm of accountants could be well-stocked with exactly the right people for small business work, particularly if the office concerned is located outside market for international mega-



deals - and less obsession with them. Indeed, the man who invented the small business unit within the accounting glants is based in Manchester where, in his spare time, he chairs Manchaster Business Venture, the enterprise agency based in the Chamber of Commerce which gives free advice

to entrepreneurs.

Mike Davis is a partner with Arthur Young, the accounting giant which will shortly be inflicting an even bigger dose of giantism on itself by merg-ing with Ernst and Whinney,

another biggie, to form Ernst, and Young. Davis's original model was copied quickly by the other giants, although some have grown less enthusiastic since then because returns have not been good enough. What they all need is that sprinkling of small hust-nesses which make it to flota-tion or sale to a large competi-tor — but a steady flow of them. too.

Things do not work so easily, for most small businesses stay small and are better off with a smaller accountancy with a smaller accountancy practice looking after them. The small business market might have about 1.6m potential customers in Britain but it is still a niche business, as the giants have discovered. Davis says: "Provision of advice is the bedrock for everything else we do: We give structural advice throughout, rather than provide a one-off tax audit. provide a one-off tax audit. However, the big firms had to develop these skills in among their people in order to provide such services for small busi-

"We discovered we needed a new breed of accountant, keen on active participation in the client's management. They had to have much greater aware-ness of marketing and the new breed of accountant, kee

marketplace. Over a period, we then discovered there was a particular type of business we could service on a regular basis. The one-man small business wants only occasional advice. His needs do not match what we provide. Where needs and skills do not match we send them on to smaller practices we know will be suitable. But we never sent people away without a constructive step they can take immediately."

Many of the "suitable" smaller practices will be people encountered on the network of professional advisers who, increasingly, work together on individual deals as the small business sector expands and grows more sophisticated. Others are accountants who trained in the special units within the large firms and decided to exercise their own entrepreneurial flair by setting up alone or in two and threes. Thus, the giants have made a significant contribution to professional services by training the sort of accountants entre-

preneurs need.
So how and what should the entrepreneur look for? Wearing his enterprise agency hat, Davis says: "Talk to people you trust already, such as your bank manager or solicitor, or go to your local enterprise agency. Be clear about what you need, then see two or three firms and choose one where

you are confident of e good relationship. Mutual trust is what matters in the end."

Steve Franklin survives an unexpected visit

The VATman cometh

When the dour Scotsman turned up, I had some diffi-culty in dealing with an accent made worse hy a very bad cold. My immediate inclination was to offer him a cup of tea or coffee, with perhaps e drop of "something" in it, hut I thought that might suggest I was trying to curry favour.

Once I had mastered his

accent, and showed him to my "office," he opened the bowling from the hospital end with some gentle off-spin - ques-tions that seemed mainly intended to establish that I and the business actually existed. I watched out carefully and couldn't spot any dangerous

Then, we started on the books. He kept referring to sales and purchases, whereas my records were in receipts and payments.

After a few more questions about the entries, he set about checking the figures and suggested, tactfully, that I went elsewhere instead of hove-

ering around nervously. He toiled away for an hour or so and, when I returned, asked some leading questions about why the figures didn't match-np properly with the returns. In fact, the discrepancies were relatively slight, so it was not too gruelling.

He also quizzed me about various questionable items, such as office decorations and the 'phone bill. In the end, he allowed some expenses which 1 knew in my heart of hearts

were not really justified.

But he evened-np things tween us by cutting the VAT allowance on the telephone to 70 per cent of the total, although I had claimed that at

least 80 per cent of my calls were on business. Another point was that, in

future, I have to keep a sepa-rate summary of VAT sales and purchases for each quarter, over and above the general accounts which, basically, list all the receipts and payments made by the company. From his point of view, the whole idea is to see how much

whole idea is to see how much VAT has been received and how much has been paid out, and check if the difference matches up with the returns sent in Providing they are allowable items, then everything is all right.

A finel word of warning was A final word of warning was

to make sure the quarterly return, and cheque, were never sent after the required deadline. If that happens twice in any 12-month period, then you are liable to pay double the VAT due on the second

When I checked my accounts after ha left, I could see the VATman was quite kind in not picking up more mistakes, although they seem to have cancelled-out each other so that neither side lost or gained

In fact, I have to admit that for a husiness like mine, VAT has proved a bit of a godsend in helping cash flow and ensuring I keep reasonable records and accounts.

For example, in checking for one quarterly VAT return, I discovered a missing payment of more than £1,000 that I doubt I would have found otherwise. With VAT coming in and

only needing to be paid out, less any deductions, three months later, there certainly is quite an advantage in being

This quarter, I submitted my return two weeks before the deadline and, with the books straigthened out, I feel that my small business has done rather well out of the VATman.

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MOTORING

HE BIG saloon had carried me in silent, air-conditioned and leather-seated comfort through the outskirts of Dusseldorf to the Cologne autobahn Across tram tracks and over granite sets, there was as little noise and road reaction from the tyres as you expect from a Jaguar.

It handled nimbly and effortlessly

in traffic. The controls were silken and the seven-speaker stereo system with CD sounded better than many a domestic hi-fi. The ambience was an agreeable mix of understated good tasts and the latest in high technol-

West Germany's autobahn system remains a de-restricted oasis in a desert of speed limits; on most of it, you can go as fast as you like, although for how much longer is anyone's guess. There was not much traffic about. Light pressure with my right foot held third gear to a shade over 100 mph (160 kmh) before the transmission shifted almost undetectably

into top.

At 135 mph (217 kmh), the tachometer read a fittle over 4,200 rpm. 1 could hardly hear the engine and wind roar was subdued, I had a lot of power in hand and the car rode as stably as a

hand and the car rode as stably as a liner on a calm sea.

What was I driving? A Mercedes S-Class or BMW 7-Series? It could have been, so easily. But instead of a three-pointed star or blue-and-white quartered disc, the badge on the grille was a discreet "L". It stands for Lexus, the name of Toyota's latest

The state of the s

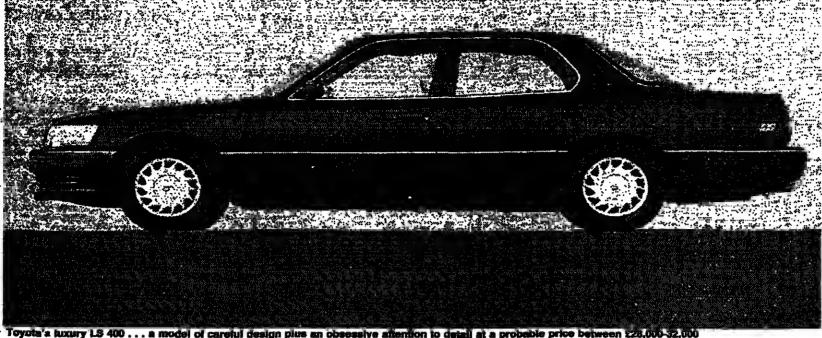
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and most prestigious marque. and most presugatus marque.

The Japanese motor industry's success story started with small cars that were good value, fully-equipped and dead-reliable. Similar family-sized cars followed. Then, it was the turn of the recreational four wheel drive market to be sewn-up comprehensively. After that came sports cars setting After that came sports cars setting new world standards in performance and value. Now, Europe's last bastion

- the luxury executive car sector - is about to come under attack.

Some models in Toyota's Lexus range can be bought already in the US, although with less-powerful engines than the magnificent four-litre VS I sampled all too briefly in a LS



Japan goes for the throat

Toyota leads attack on Europe's executive car sector, reports Stuart Marshall

400 in Germany last week. The LS 400 will reach Japanese ebowrooms by the end of the year and start locking horns with Europe's best senior exec-

utive cars next spring.

A drive of 50 miles (90 kms) is a tasting, not a proper test (this will follow, 1 hope, before too long). But the Lexus LS 400 could hardly have made a better impression.

made a better impression.

Shiro Sasaki, executive vice-president of Toyota'e board of research and development, had told me his team's objective was to make a car that was "warmly-beautiful, dignified, elegant and driver-friendly." I reckon the team hit the jackpot because the LS 400 is all of these things Everywhere 400 is all of these things. Everywhere

you look in this classic, rear-wheel driven car, you find careful design and an obsessive attention to detail. The 32-valve, four-camshaft engine is assembled by robots. (Human hands and eyes, Toyota explains, are not accurate enough consistently to reach the quality standard required). Each one is then run on a test bench while a robot held microphone locates

and analyses every source of noise. Making the car as free as possible of noise, vibration and harshness was a top priority. When noises are tracked down during development, some makers stifle them with sound-damping materials. Toyota does not. On the Lexus, they had to be designed

Only 50,000 Lexus LS 400s are to be made each year, which might come as a relief to tha likes of Mercedes-Benz, BMW and Jaguar. Of these, 40,000 will go to the US and a mere 2,000 to Europe, with Britain getting a lion'e share of 800. Prices will not be settled until the launch but — in the UK, at any rate - I gather they will be close to those of the Jaguar XJ6. That would make them between £28,000 and £32,000, according to specifica-

All will have ABS brakes, air-conditioning and automatic transmission as standard. Air suspension and electronic anti-skid traction control will Toyota's sights for the Lexus LS 400 are trained on Mercedes-Benz (the nolonger-young S-Class and, possibly, coming larger-engined versions of the 300); the BMW 7-Series; and the six-cylinder Jaguars (also due to get more powerful engines soon).

The Lexus LS 400 could also appeal

to owners (more likely user-choosers) of cars such as the Ford Scorpio, Rover Sterling and Opel Senator who want to move np-market, 1 suspect that only a very nasty Budget sur-prise from the Chancellor next March will stop the first batch of 800 LS 400s from walking out of British showrooms as soon as they arrive.

Country Notes

Give a worm an even break

If WAS a still, clear evening after a long day of heat. The sea was so calm thet it mirrored the cliffs - a hlur of golden brown laid on blue water. Sitting on the beach, around sunset, the only flicker of speed came from some small, snake-like thing moving fluidly among the pehhles, a sliver of bronze gleaming in the pink light. It was a

slow-worm, Anguis fragilis, and it disappeared in seconds. It left me with the curious feeling that, briefly, 1 had experienced something more significant than the simple facts suggested; something symbolic, perhaps. Freudian theories aside, snakes and their like figure large in our mythology. It was this feeling



that brought bome to me why, in less scientific times, country people regarded these shy creatures with fear and

Slow-worms are not snakes but legless lizards, distinguished from the former by the presence of movable eyelids and a broad, flat tongue (not forked). In people's minds, though, they ere one with snakes and thus, as the old stories claimed, might sting, inject poison and spit fire. Even when wounded mortally, they would not die until sundown.

Many slow-worms and snakes were, and probably still are, killed deliberately through ignorance. In fact, even the much-maligned adder prefers to effect a hasty retreat rather than attack.

My usual contact with the slow-worm – also known, misleadingly, as the blind-worm – is more prosaic than the seaside example. Late spring marks the beginning of what I think of as the

slow-worm season, when they emerge after hibernation, often from the bottom of the

compost heap.
Throughout the summer. our cat often announces his arrival home with a blood-curdling triumphant yowl, scarcely dulled by the fact that he has yet another of the hapless creatures dangling, like a thick bracelet, from his jaws. in trying to evade the cat, each of the captured slow-worms has evidently parted company with its own tail which, still writhing, acts as a decoy. Since the tail represents roughly half its length (which, in adults, totals op to 18 inches) the slow-worm appears, disconcertingly, to break in half.

Despite the bloody stump. the wound heals and a new tail grows eventually. Most of the slow-worms survive the attentions of our cat although, once, I opened the back door and found a wormless tail. There was no sign of its owne or the cat.

The young, numbering anything from six to 12, are born late in summer. Each is contained in an egg composed not of shell but membrane, from which they escape immediately. At this stage they are a shiny yellowy-silver, 2-3 in. long, and independent. The adult colours are more muted, the females distinguished by their dark sides and belly.

Anguis fragilis is completely harmless – unless you happen to be a slug. Like connoisseurs of good food, individual slow-worms apparently approach their favourite delicacy according to their preferred style. Some will arch over the prey, grab it round the waist and swallow it whole; some, observed by the country writer, John Moore, "start at one end and chew their way steadily and purposefully to the other." Writer H. S. Joyce kept slow-worms that rejected the skin but sucked ont the soft innards, "just as we treat ripe Bon appetit!

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DEALERS

Jeany Poulsen

When choice defies logic

lesely intriguing aspects of motoring is what makes a per-son buy a particular car. Often, the choice defies logic. Why, for instance, get a widewheeled, high-performance model with a "go faster" kit of serodynamic aids when it will be used almost entirely for shopping? Or a high-slung, on/ off-road, four-wheel drive when it will never leave the tarmac?

Just look around; it happens

all the time. Why, I don't

WHEN PLAYING in a 4-4

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South dealt at game to

North-South and opened with one spade. West overcalled with two diamonds, North

raised to three spades and South's four spades concluded

Taking the first two tricks with ace and king of diamonds. West continued with the

South now had nowhere to go. If he played his knave of

spades West would win, force

dummy with a diamond and beat the contract when he

know. But it must have more to do with wanting to reflect an actual (or aspired-to) lifestyle than getting value for

The choice of make, or country of origin, can be just as interesting. This question is addressed in the latest Sewells Report on Automotive Marketing. Sewells asked 1,000 motorists what makes of car they would never consider buying, and which companies did they consider to be British car manufacturers?

the way their vehicles per-ceived. More than half of them (54.3 per cent) gave the big thumbs-down to any East European model. Sewells speculates that Sewells does not explain why they turn-off more than one

potential buyer in four. Do past this could be due to perceived quality problems or a belief that the cars are "not of the problems with corrosion still count against the Italians? Are national prejudices (or wartime Either way, it has to be a severe disadvantage to East memories) too strong for some Britons to buy Japanese? Are French cars still thought to be tinny and unorthodox?

survey best. Fewer than 11 per cent of British motorists said they would not consider buy-

turers (Austin-Rover, Ford, think of becoming a Vauxhall owner. But one potential buyer in eight would reject both Aus-tin-Rover and Peugeot-Talbot.

of car? Replies to this question show bow few customers are really aware of the facts. Predictably, more than 68 per cent said Austin-Rover was British. About 40 per cent thought Ford was, too, and 33 per cent said the same of Vaux-hall.

Actually, a sizeable proportion of the cars Ford and Vaux-hall market in Britain are

Nissan, for all its massive investment in north-east England, where the Washing-ton factory produces Bluebirds for Britain and mainland Europe, was reckoned to be a British make hy just 2.2 per

S. M.



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948 (F) Scient, 11,300 miles.	Ave	C27.80
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THE BRITISH championship at Plymouth last week provided another demonstration of the UK's youthful strength in

depth.
in all other leading cless countries such as the Soviet Union, US, Yugoslavia and Hungary, a significant percentage of top players are in their 40s or oider. But championships in Britain are dominated by the 26-35 age range, graduby the 25-35 age range, graduates of the country's youth programme of the 1970s. These grandmasters and masters are reinforced constantly by rising talents from the schools and

Michael Adams, 17, became Britain's youngest champion last week and confirmed his growing reputation as a poten-tial challenger for Gary Kaspa-rov's world title early in the 1990s. Adams, already the third-youngest grandmaster after Bobby Fischer and Kasparov, won the tournament at Plymouth in impressive style, playing through his 11 games unbeaten and defeating top-seeded Murray Chandler in the

decisive last round.

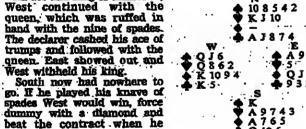
Final leading scores were Adams 8.5; King, Mestel and Norwood 8; and Arkell, Emma, Hebden and Hodgson 7.5. David Norwood, an Oxford history student, qualified for the grandmaster title.

Adams has now won three

Adams has now won three

spade contract from rubber played clubs or hearts, West would ruff with his seven and set the contract with his king. Correct play lands the game. At trick four, declarer must

advance the queen of spades, not the ace. West ducks and South continues with the knave. If West ducks again, declarer cashes his ace and runs heart and club winners, allowing West to make his trump king when he likes. Should West take the spade



draws the last trump and 1 have discussed this safety play in several articles and I

10 8 5 4 2 K J 10

QJ832 932

was interested to see that a similar position occurred in the recent European champion-

trump suit the declarer might bave to take precautions. against a possible 41 trump break. Let us look first at a his seven of spadee. If he

knave, a diamond can be ruffed with the ace of spades. South crosses to the ace of hearts,

strong tournaments in a row, a

total of 29 games without defeat played consistently at grandmaster level. His new

world rating is likely to be around 2,550 points, equal to a

place among the top 50 men and, significantly, a standard which former world champion

Anatoly Karpov achieved only

at age 20. The Truro schoolboy can

now anticipate England selection in the next individual

world title eliminators. His

ultimate target will be a seat opposite Kasparov when the

Russian makes his mandatory

title defence in 1998.

Before then, Adams is likely to play in the England team in

this autumn's European and

world championships, as well

as in the 1990 Olympics where the UK's chances of capturing gold medals from the Soviet Union suddenly have bright-

Meanwhile, and starting with this week's game, the FT chess column will adopt the standard or algebraic notation

to record moves. Squares are described horizontally, along

the ranks, by the letters a.h.

the numerals 1-8.

and vertically, up the files, by

ened.

European producers. But Italian manufacturers (29 per cent would not have one), the Japanese (25.8 per cent) and the French (25 per cent) have no cause to be complacent over

South dealt with neither side vulnerable and started the bidvulnerable and started the bid-ding with one heart. North replied with one spade. South per cent against while only 73 said two diamonds, North bid per cent against while only 73 said two diamonds, North bid per cent against while only 73 said two diamonds, North bid per cent against while only 73 said two diamonds, North bid per cent against while only 73 said they would not think of becoming a Varyball four hearts and all passed West opened with the queen of spades. The ace won, drop-ping declarer's king, and East

switched to the queen of dia-monds. Taking with the ace, declarer rightly led the queen of clubs, the king covered, and the ace won.

Now the king of hearts was cashed, followed by the knave, but West shrewdly withheld the queen. This duck was lethal: the contract was no lon-

right type."

ger makeable. If South drew another trump, be would be exposed to an attack from dia-monds; if he did not, West would make two heart tricks. After winning with dummy's club ace, declarer must lead the knave of bearts and, if West refuses to take, follow with the 10. He is now in com-

plete control. If West takes, a diamond can be ruffed with the heart king, Sonth crosses to the 10 of clnbs, drawe trumps and claims. Should West return not a diamond but a spade, that causes no problem. South ruffs in head and proceeds on in hand and proceeds on roughly the same lines as

E. P. C. Cotter

German cars come out of the ing one.
Of the Big Four UK manufac-

reflecting a low level of dissat-isfaction with Ford and Vauxhall, but indicating worries on this score for Austin-Rover and Peugeot-Talbot. Which are the British makes

made in Germany, Belgium and Spain. Nearly all the Peu-geot 405s sold here are assem-bled in Coventry, but only 8.3 per cent rated Peugeot-Talbot as a British make.

18 THIS Eco 2 (pictured above) urban two-seat car? It has a 1.1-litre Ford Fiesta engine

of 21 ft (6.4 metres). The steel tube chassis extending to roof level is clad with impact-absorbing thermoplastic panels. The Eco 2 will be shown at Motorfair in London from October 19-26 and the price is expected to be about £4,000. For

want something more traditional and a great deal fancier, the British Automobile Company of North Perrot, Somerset, is making 30 of the most extravagant Minis ever for a breathtaking

super-charged MG Metro engines, hide seats, and every electric and electronic gismo you can think of including the world's smallest car/ portable phone, CD player,

and remote-control burgiar alarm. BAC-M30 badge on the back is, one hopes, bolted-on tightly. Details can be obtained from BAC on

0460-72935.

Chess

The major difference from descriptive notation is that each square has only a single reference point; thus, White's Q4, which is also Black's Q5 in descriptiva, becomes d4 in standard notation irrespective of whether a white or a black piece moves there. There is no dash sign between the piece moved and its destination

squara, whila a plus sign denotes check Standard is now used in almost all English books, jour-nals, columns and TV chess programmes. It is the only notation recognised by FIDE for international tournaments, and is favoured by an increas-ing majority of practical players. Sorry if you still prefer descriptive, but standard is

easy to learn.
To make the change clear, this week's game is given in both notations. White: J. Plaskett.

1 c4 e6 2 NfB d5 8 b8 Nf6 4 Bh2 Be7 5 g3 0-0 6 Bg2 c5 7 0-0 Nc6 8 e3 d4? Too committal, leading to weak central pawns. The normal plan is b6 and Bb7.

9 exd4 cxd4 10 Re1 Qb6 11 d3 Bd7 12 Na3 Rad8 18 Nc2 Bc5 14 Rb1 a5 15 a3 Qc7. Black cannot stop the space

gaining b4 advance, so sets the trap (either) Nxd4? Qb6. 16 Bc1 e5 17 b4 Bd6. White has an excellent posi-tion, since Black's shaky d4-e5 centre can be undermined from both flanks. Best now is 18 Bg5! when Be7 (to avoid doubled pawns) loses a pawn to 19 b5, while 18 . . Kh8 19 Bxf6 os, while is . . . Rus is fixed syries 20 Nh4 Rg8 21 Be4 gives good play on the light squares. White's actual plan allows Black too much piece activity, and costs Plaskett half an hour on the clock with acute time. on the clock with acute time

on the clock with acute time pressure 10 moves later. 18 c5? Be? 19 b5 Nb8 20 Rxe5 Bxc5 21 Bg5 Bg4 22 Bxf6 gxf6 23 Re4 Bf5 24 Rf4 Bg6 25 Nh4 Nd7 26 Nf5 Nb6 27 Qd2 Nd5 28 Rg4 Ne7 28 Ncxd4 Kh8 30 Nxe7? (best is 30 Rf4) Qxe7 31 Qe3? Qd7 32 Resigns. Black: G. Flear.

Reti Opening (Plymouth in descriptive notation:
1 P-QB4 P-K3 2 N-KB3 P-Q4 3 P-QN3 N-KB3 4 B-N2 B-K2 5 P-N3 O-O 6 B-N2 P-B4 7 O-O N-B3 8 P-K3 P-Q5? 9 PxP PxP 10 R-K1 Q-N3 11 P-Q3 B-Q2 12 N-B3 QR-Q1 13 N-B2 B-B4 14

R-N1 P-QR4 15 P-QR3 Q-B2 16

BxN PxB 23 R-K4 B-B4 24 R-B4 B-KN3 25 N-R4 N-Q2 26 N-B5 N-N3 27 Q-Q2 N-Q4 28 R-KN4 N-K2 29 QNxP K-R1 30 NxN? QxN 31 Q-K3? Q-Q2 32 Resigns. PROBLEM No. 786

B-QB1 P-K4 17 P-QN4 B-Q3 18 P-B5? B-K2 19 P-N5 N-N1 20 RxP BxBP 21 B-N5 B-KN5 22

BLACK 11 MEN A A W A

E. Holland v W Watson, Britisb Championship, Plymouth 1989. Material is level, but both sides have their eyes on the opposing king. If it was White's move, 1 Bxg6 would be effective; but Black (to play) has first strike. How should the

WHITE IT MEN

game go? Solution Page XIX Leonard Barden

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IS difficult to look at GCSE results without joining the controversy

on whether or not it is a good exam. It is not yet even known whether it will atay in its present form, or if it will spill all over A-levels and change the examination sys-

tem forever. The argument

continues, but there isn't much

of a pattern to it. Are the peo-

ple opposing it entrenched eli-

simply people who are commit-

ted to egalitarianism in what is, after all, the anniversary

year of the French Revolution?

the results came in, a survey

taken by The Independent

newspaper seemed to show

that the GCSE was a middle-

clasa exam, presumahly

because it favoured children

with parents who could help

their offspring. Now other reports tell us that it isn't eli-

tist et all, and that if anything, it favours the plodders. John Murrell, managing gov-ernor of Gabbitas Truman and Thring, one of the UK's leading

education consultants, says:
"There is no doubt that GCSE

academic standards ara

slightly lower than they used to be. This means that the gap

between the new exam and A-levels is greater than it used

to he under the O-level sys-However, Murrell sees sev-

eral strengths in the new exam. "It is an examination based on continuous assessment. The GCSE is designed

for the upper 60 per cent of the ability bracket while the O-Levels were based on 20 per

cent. Whatever you think

about this, you can't say that

although you might argue that

Murrell says that the tragedy

of the old O-level exam was

that a pupil's performance on a

single day determined a whole

future — "and I'm being quite serious that a girl's menstrual cycle could affect this."

with GCSEs at present is that

the various examining boards are being less flexible about

One of the main troubles

there has been a little leniency in marking during the early

Last year, when the first of

tists, and are its supporters

to them, any of which can provide a much-needed lifelina."

other educationists when she

says many students make the

mistake of thinking that poor

A-level grades are a sign of complete failure and that their

world is ending. Frequently

the only suggestion from schools is that students retake the subjects in which they

have not done well. However, Aggett emphasises, the

chances of doing well a second time in a subject which has already proved unsuccessful once are considerably reduced.

once are considerably reduced.

Holborn is part of the HLT group of colleges and Aggett and Brian Heap, an authority on university entrance requirements, have been touring the country holding seminars with the title After Aleoeis, a Survivor's Guide. The seminars look at how to cope with "clearing," alternative courses and the possibility of taking a London University

taking a London University degree in law, accounting, management studies or eco-nomics with just two Grade Es

One of Aggett's answers to the dilemma of "life after A-levels" is to take two A-lev-

els in completely new subjects such as law, economics or

business studies. This has the advantage of allowing stu-

dents to come to the new sub-jects fresh and with enthusi-asm, instead of repeating an

old course. It also means that

there is no feeling at the back of their minds that they are

She points out that the high-est drop-out rate at universi-ties and polytechnics comes in

the second year when many students find they have chosen the wrong subject and not cut out for law or economics.

"Getting some experience of a subject before university can

be a very good grounding for the future."

One of Aggett's offered options is take a London University external degree. London has been offering these degrees for 150 years. They are the same standard as internal

degrees, indeed, little is different, it is claimed, except that you don't live-in. However,

one educationist involved in

university entrances and

career counselling says: "Yes, well, I suppose they're all

right, but in my opinion noth-ing is as good as residence at an academic institution." With

only two E-grade passes at A-level it is possible to study as a full-time student for a

London University external

degree in law. Success means an LLB (London) and the

London also offers an exter-

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easting a year.

Aggett echoes the views of

WEEKEND FT SPECIAL REPORT/COURSES AND CAREERS

Flunked your A-levels or GCSEs? Never fear, there are many options open to you, says Alan Forrest,

What to do if you don't make the grade

S THERE life after A-lev-els, and more particu-

larly, after not-so-good

The advice and sympathy of

her and discuss the long-

A-levels? Valerie Aggett,



retakes. However, there are many colleges which can offer a students the chance to resit students the chance to resit When choosing any indepen- secretary, writing recently,

dent college it is advisable to explains its functions: check whether it is accredited. "BAC accreditation involves check whether it is accredited. The size of the independent an assessment of the premises section in further and higher and resources of an institution education is often underestithe qualifications and experi mated. According to a recent ence of the teaching and report by the London-based administrative staff, the stan-Overseas Student Trust there dard of teaching and assess-were almost 285,000 overseas ment procedures and the welstudents in independent col- fare provision for students. leges in 1985 - five times as Once accredited, each institu-many as in the state sector. tion is required to submit an many as in the state sector.

The number of British stuanual report on developments dents was not published, but at the institution to the BAC."

The council's list is widethere were 400,000 British and ranging, and all reliable people overseas students enrolled on in independent education correspondence courses in UK helieve that it can only independent colleges. This improve things. It doesn't just meant that the industry was play its watchdog role on the not without its "bucket shops." more conventionally academic So the British Accreditation colleges. Recently it gave Council for independent and accreditation to a well-known Further Education was set up independent hotel and catering in order to help students and college in Bournemouth. "BAC parents choose a suitable col- offers an independent assess-

ment of the very varied provi-sions available," says Perry. "Choosing an independent college with confidence is now a less daunting task."

The task of choosing a col-lege can also be assisted by the excellent Gabbitas Truman & Thring Guide to Independent Further Education. Its section on the more academic type of college is particularly strong. Two of the leaders in this field are in the London area .- Collingham Tutors, not far from the Earl's Court exhibition cen-tre (Collingham also has an offshoot in Bayswater), and the Davies, Laing and Dick Independent College close to Kensington Gardens.

The Davies, Laing and Dick College comes well recommended. It has s rooms and individual tutorial rooms and specialist rooms which include a computer centre. It also runs a portfolio art course for students seeking Foundation Courses or entry into an art college. Collingham. meanwhile, offers study in small tutorial groups in an ele-gant town-house atmosphere.

Its claim is that 78 per cent of its students go on to take degree courses after their Fees are high at both these

, but even outside London it is not possible to get further education on the cheap. In the 1988-9 edition of the GTT guide fees were being quoted around the £4,000 a year mark for full courses, (And bearing in mind the rate of inflation this year, it would be best to double-check. The latest issue is almost ready, in which fees are up to date.) One private college which has a reputation for attracting the more adventurous student is St. Clare's in Oxford. It is, of course, BAC-accredited and

one of its big attractions that it offers an International Baccalaureate course. As the college's spokesperson puts it:
"This an exciting and demanding course which provides a strong broad base for higher study. Three subjects are studied at Higher Level - roughly equivalent to A-level - and three at Subsidiary.
"Additionally, students must

What do you do if you haven't done as well as you ought to have done? Do you try again, do you keep pestering universities for a place, or do you move out of the conventional academic stream into something more career-oriented?, Valerie Aggett sums up the dilemma of some of these students. They often feel completely at sea, with no one to turn to for help. Their friends are busy planning new lives, while their teachers are often away on holiday or unable to suggest the next step . . in fact, there

Valerie Aggett, principal of Holborn Law College: a message of good cheer for students who haven't done so well .

submit a 5,000 word essay, must take part in cultural, aesthetic or social service activities, and also follow a course of Theory of Knowledge which develops their capacity for crit-One of the relatively new

areas which can offer a reward-ing career is the travel tourism and hotel industry, or "the hos-pitality industry" as its enthu-siasts put it. The Hotel Career Course in Paymer with lists Centre in Bournemouth lists a whole alphabet of jobs, starting at "airline crew" and finishing at "zoo work," and bringing in on the way tour operating, hotel and leisure management, pubs and wine bars and school meals organising.

The Centre offers one-year diploma courses in hotel and catering studies and ten-week courses in hotel reception, travel and tourism and cookery. In London the David Game Tutorial College organisation, housed in five buildings near South Kensington under-GCSE, study for external law degrees and other goodies, also otters poter and ca agement courses. University of Sussex offers a degree in hotel

and catering. Another study area that is always active is languages. The GTT guide has a hefty sec-tion on English language schools, but for people looking for these courses, a contact with Arels-Felco (address in report on facing page) is also recommended. The courses fea-tured in the guide range from the Anglo-Continental Educational Group at Bournemouth, which offers courses in specialised English covering the language and background of aviation, maths and science, technology industry and com-merce, to somewhere like the EF International School of

English in Brighton.
Organisations worth contacting for both foreign languages and English courses include Linguarama, based in London's Pall Mall and even now looking for young people to teach English abroad; the eternallypopular Linguaphone, specia ists in home study; and, of

course, Arels-Felco.
All the colleges mentioned in this article can provide some-thing interesting and impor-tant for the exam honoursbunter, for those with a pas sion for pure knowledge and for the simply carear-con-scious. If, however, that dreaded GCSE seems your only worry, I quote the opinion of Gilly Green, Collingham Tutors' administrative princi-pal: "I do believe that the GCSE encourages 18-year-olds to be more responsible and more responsive in their studies. We find that they thor-oughly enjoy the course work and that it brings out abilities which can remain hidden by more conventional exams."

years. Aggett says that there is a growing number of students who, after taking external London law degrees, have joined leading firms of Gity of London solicitors.

External students with good intermediate results at the end of their first year can apply to switch to a university or poly-

switch to a university or poly-technic in the second. Their success in the first year indicates that their original A-level performance was just a hiccup in life's great meal.

The HTL group of colleges is made up of the Holborn Law School, the Holborn Business School and the Holborn Sixth Form Centre. Fees are pretty high, but so are those of the many other further education colleges that provide a similar service. Holborn simply says that it has been around for 20 years and is the largest under-graduate law faculty in the

But obviously many other

further education colleges are setting their sights on the same subjects. One is Bath's Connaught College, which pre-pares students for the London External law degree. Registrar Frances Hayward says that studying in Bath is probably better, environmentally speak-ing than studying in London. Connaught has students Connaught has students from many lands paying fees ranging from 25,000 a year for A-levels to GCSE at about £1,000 a subject. People say it has probably one of the best-sited Sixth Form colleges in the UK, which is maybe why students from Malaysia, South Africa and all over Europe flork to it.

flock to it. After A-levels many career based courses fall under the Business and Technician Educational Council (BTec) which offers an umbrella for junior management and technical vocational education. A student can study engineering, computing, husiness studies, art and design, applied sciences, agriculture and much more. For students looking for career in accountancy, the Chartered Institute of Certified Accountants (ACCA) has a student service which can

answer most queries.

The advice given by ACCA to people wanting to become a certified accountant, which unlike chartered accountancy is largely a non-graduate pro-fession, is to get a job with an accountancy firm or a company's accounts department and combine part-time study

with work experience.

Accountancy is only one of the thousands of subjects offered by over 1,000 private colleges. One of the hest guides is the Directory of Independent and Tutorial Organisations (Ditto as it is known in the trade). It lists hundreds of colleges offering careers ranging from business and creative arts to flying and hotel man-

To give the last word to Valerie Aggett: "Sixth formers with poor A-level grades are not second-class citizens. By looking around at all the alterstudies are common, but then students choose between ecofind a way shead and prove nomics, accounting or manage-ment studies for the final two just a temporary setback."

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WEEKEND FT SPECIAL REPORT/COURSES AND CAREERS

Secretarial skills can open the door to many better-paid careers, says Melanie Cable-Alexander

Make your mark as a go-ahead typist

should consider doing a secretarial greeted-the idea with horror. "But I don't want to be a secre-tary," I cried. "Never mind dar-ling," she replied, "you might find it useful."

There seems to be a certain stigma attached to the idea of taking a secretarial course in the minds of most ambitious young graduates or school leavers. They tend to assume, as indeed I did, that it means they have to become secre taries once they finish the

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course.
This is certainly not the case. Moreover, taking a secretarial course can add an extra qualification to your CV, increase your chances of employment and, in some cases, give you an entrance to the career of your choice. For those still uncertain, it can also provide a few months extra hreathing space to decide what career to opt for.

increasing use of the computer and word processor means that it is a positive advantage in many careers to be able to type. Many people already at work, for example, are having to go back to "school" to learn or re-learn typing skills to use with keyboards. Even some boys schools have set up classes to teach their pupils how to type and use keyboards.

There are a variety of options open to graduates and school leavers, ranging from evening-class key board courses, eight-week specialist "crash" courses, to fully-"crash" courses, to fully-fledged three-term diploma courses. Prices range according to the type you choose. One that is quite popular with graduates is the intensive 15-week

are well established career-

wise but who just want to

spend a holiday or a weekend doing the kind of things they

might have done if they hadn't

got trapped behind a desk so

early in life. Some might have wanted to be a professional

ballroom dancer, twirling

battle. Well, all is not lost. This year's summer school

grades or a career. There are those who

which costs on average £1,200. There are no real guidelines as to which course is best - it depends entirely on the indi-vidual'a requirements. Opinions vary about whether it is worth "spending money" and taking a place on one of the well-established secretarial courses, such as St James's or Pitmans, or thumbing through Yellow Pages and finding a "cheapie" at, say, your local night school. For it is possible, if you are bright and determined enough, to bluff your way into a job with the minimum secretarial skills, in which case there is no need to spend vast sums of money on secretarial training.

The biggest dilemma for graduates, however, is proba-bly not so much deciding whether to do a secretarial course, or even trying to work out which course to attend, but establishing what to do with their skills and whether to use

them to find a career.

According to Helen Scarlett,
of the Graduate Appointments
agency, those graduates who take on secretarial work when they leave university would prefer to make their way up the career ladder without using their secretarial skills. They do not come to her asking to be straight graduate employment.
They get involved with secretarial work only because they
have the necessary skills to fall

What is interesting about graduates who take this route, however, is that, according to Helen Scarlett, more than 90 per cent of them have broken out of their secretarial roles by the time they have reached their second job, which takes roughly two to three years. (School leavers tend to take a



Secretarial courses and keyboard skills can further your career prospects

little longer - probably a reflection of their age rather

than their abilities.) Taking on secretarial employment, therefore, can indeed provide a way in through the back door to a career of your choice.

However, most of these grad-nates tend to be women. This is not because men lack secretarial skills; on the contrary, as a result of the growing demand for keyboard skills an increasing number of men are joining secretarial courses - they find it useful to learn how to type with all eight fingers instead of the traditionally macho two. Rather it is due to the fact that most employers are still reluctant to employ male secreand using it as a back door entrance to a more favourable career is largely only an option

Also, the graduates who use this route tend to be those clutching their arts degrees, or those without a vocational degree, which is a traditionally female domain.

oreover, arts-re-lated businesses, sonnel or advertising, are notoriously competi-tive to get in to, which means it is often easier for these graduates to find work as secretaries in these industries rather than as trainees.

That said, however, there are women who make their way up the City career ladder via a secretarial route, Jane Reichman, now a short-term securi ties manager at Daiwa, is one example. She started her work-ing life as a secretary on the trading floor at Shearson Lehman, an American merchant bank. In just over a year she became a fully qualified sales

Her secretarial training was minimal - it consisted of a one-week typing course at what she described as "a grotty place in Oxford Street." But place in Oxford Street." But this was all that she felt was needed to start her on the right track, as she did not want to make it a career. She also felt that the more qualifications she had as a secretary, the more difficult it would be to break out of her secretarial

tend to have more contact with

a larger number of people, which Jane believed was important - the more faces you show yourself to, the more people will remember you when it comes to finding someone to fit a job. She believes that if you're bright and determined enough, becoming a sec-retary can be a feasible way

into the City.

The drawback, she thought, was escaping from the label of heing "a secretary." Reichman, for instance, found that once she became a sales manager at Shearson Lehman she was still being approached by people to make coffee, arrange lunches

route into any job. First, she says, it provides a means of getting a job rapidly — graduate secretaries are much in demand and can more or less pick and choose their jobs. Second, it offers a means of get ting good commercial experi-ence. Finally, she argues, it allows a student time to think about what career they really want, and whether they are suited to their option.

However, choosing to make your way up the career ladder as a secretary is a lot tougher than joining a company on a trainee scheme - you don't have anyone monitoring your career and every advancemen is one that you have to graft yourself. You will also earn ess than graduates on trainee

Taking a secretarial course does not mean that you have to be a secretary, but it does mean that it is easier to drop into that role, particularly if you are female. However, being a graduate secretary can, as as my mother so rightly said, be

Another centre offering weekend courses from Septem-ber 8 to February 26 is Buck-inghamshire County Council's Missenden Abbey at Great Mis-senden. Dipping into the brochure at random reveals that: "Starting with the last lazy

Some books that may be

Your guide to a jungle of choices

WHEN IT comes to choosing a course or career the old rule applies: it doesn't matter what you know as long as you know where to find it. This often means that students and parents are confronted with a bewildering array of brochures and publications, so here is a brief guide through that partic ular jungle.

For those looking for one of those nice weekend or summer courses, the choice is simple. There are many guides, but I have found one of the most reliable to be the English Tourist Board's Activity and Hobby Holidays. The 1989 edition is still available at £2.95, but some of the prices given for the holidays and courses may be a little on the low side when one considers the recent level of inflation. A new edition will be available fairly soon.

The ETB's guide is very readable, apart from giving useful information. It puts the holidays available in separate sections, from action and sports and arts and crafts to special facilities for the disa-bled. It has a special section for children of five and upwards and for older offspring taking a holiday away from their par-

The National Institute of Adult Continuing Education's Time to Learn is also most useful. It includes a comprehensive list of study tours abroad - France, Australia, Moscow and Cuba to name but a few. It is available for £1.50 from the institute at 19B DeMontfort Street, Leicester LE1 7GE,

The Gabbitas Truman and Thring Guide to Independent Further Education is one of the best publications to point the way to that college that can offer a GCSE retake or put you on the path to a career outside the academic jungle - in business and computer studies, hairdressing with Vidal Sassoon or cookery with Pru Leith. The new edition will shortly be ready, but the 19889 edition still gives valuable information, although perhaps the fees should be double-checked.

valuable for students and parents come from Newpoint, now part of Reed Information Services. For example, Graduate Opportunities provides information on more than 700 recruiting companies. Other titles in this series include The City Careers Guide and Careers

For those determined to face the academic track, no better guide could be recommended than the Universities Central Council on Admissions' (UCCA) How to Apply for Admission to a University. "This is the one that all adven-turous students and parents should have," I was told by an educationist who is not involved in publishing. It is available from the council at PO Box 28. Cheltenham, Glos.

Brian Heap's Degree Course Offers, which covers selection policies and interview questions for universities, polytechnics and colleges, is a befty but valuable tome. It is published by Trotman and Company at 12-14 Hill Rise Richmond, Surrey TW10 6UA and costs £9.95. For those still roaming around in the jungle, here are some useful addresses:

The British Accreditation Council for Independent Fur-ther and Higher Education, Middlesex Polytechnic, All Saints, White Hart Lane, London N17 8HR (Tel 01 368 1299)

The Association of Recognised English Language Teaching Establishments in Britain (ARELS-FELCO), 125, High Holborn London WC1 6QD (01 The British Universities

Accommodation Consortium, University Park, Nottingham NG7 2RD (0602-422505). Gahhitas Truman and Thring, 6-8, Sackville Street,

Piccadilly, London W1X 2BR (01 734 0161) International Baccalaureate Office, 18 Woourn Square, Lon-

don WCIN 3XX British Activity Holiday Association, Rock Park Centre, Llandrindod Wells, Powys, Wales LD1 6AE (0597-3902).

Alan Forrest

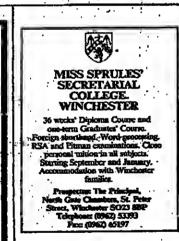
Take your partners for a course

years. You can still think of summer schools occupying the holiday months of July and August — that's when schools such as Mariborough, Taunton and Millfield throw open their doors for courses, stop school dinners temporarily and move into gommet cooking.

round Angela Rippon in miles These courses are well attended (Marlborough reports a 75 per cent booking well of talle. Some might want to have commanded a battalion in before the season starts) and even now, it, might be a good. season is now nearly over, butthe industry - and we must call it that - bas grown idea to book as soon as the 1990 brochures some out enormously in the past few . However, many places now



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offer the summer school type of holiday year-round. The rea-son is simple. Take a typical family that, because of father's reasonably lucrative job, takes several holidays a year. As a man I know who has taken one

"learning" holiday a year with his family for the past five years says; "We don't want to lie roasting on a beach three times a year. A holiday is meant to be a change, and it's a change to be intellectually committed in a different way for a few weeks each year." So holidays taking courses, even if only for a weekend, are becoming a valuable sector of

the travel industry. Tha English Tourist Board pub-lishes an invaluable annual guide to what it calls "activity and hobby holidays." The range is wide. As just one example, take bird watching. The guide recommends con-tacting the Royal Society for the Protection of Birds at The the Protection of Birds at The Lodge, Sandy, Bedfordshire SG19 2DL which can give advice and has a list of 121 reserves. One of the centres listed by the guide is Polgreen Farm near Newquay in Cornwall, just a mile from the sea, where you can combine bird watching with sculpture, spinning, weaving and dyeing for £182 full board for seven mights.

mights. Would-be ballroom dancers are directed, among other places, to the Victoria Hotel in Torquay which offers two- to seven-night dancing holidays from £22.50 a night half board

from October to March, including tuition in everything it seems from Latin American to the gavotte.

What about the children? The activity holiday is tai-lor-made for families, but as lor-made for families, but as the ETB's guide says: "Unac-companied children delight in making the break from the apron strings." One of the great enthusiasms for children is anything to do with horses. And it isn't just fun. "Young tiders and parally approximated riders are usually encouraged to fend for their mounts -tacking up, grooming, feeding, to fend for their mounts cleaning tack and sometimes learning stable management such as plaiting, bandaging

and the use of rugs." This is one area where the

says, "even though she gets up at 6am to muck out the horses. She is paid £40 a week, but we She is paid \$40 a week, but we pay her board and lodgings. She is expected to have first aid veterinary skills while still attending daily lectures. She seldom finishes work before 630 in the evening."

Another organisation offering residential study breaks

ing residential study breaks throughout the UK is the National Institute for Adult Continuing Education based in Leicester. Its guide, Time to Learn, names thousands of residential and study breaks available. Course fees given in the guide cover tuition, accommodation and meals. The guide covers October 1989 to March

Fancy learning ballroom dancing? Alan Forrest knows just the place

fun holiday spills over into the careers sector. A colleague's 18-year-old daughter, mad about horses and determined to make a mark in the showjumping world, is taking a two-year YTS course in stable management (she has nine O-levels and to qualify as assistant instructor through the preliminary teaching exam the minimum is four O-level equiv-alent passes). There are no educational requirements oth-erwise. Course standards are set by the British Horse Soci-

ety, Stoneleigh, Kenilworth, Warwickshire CV8 2LR. "She seems to enjoy it," dad

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It is difficult to make a choice from all the goodies available, but one that did catch my eye is the University of Birmingham's Shakespeare in Performance course running in the first week of January. This, of course, is based in the Bard's home town, Stratford on Avon, at the Shakespeare Institute at Mason Croft. There will be better the please of the pl be lectures on the plays, visits to the theatre and talks by members of the Royal Shake-speare Company. The basic fee is about \$80 (accommodation not included) and the fee inclusive of theatre tickets will be

announced later

days of summer you can spend days of summer you can spend lingering sunny hours painting; as the brisk autumn begins you can begin something new — a language, a craft, even satellite tracking."

The abbey's booklet offers a great deal — what about Making the Best of One's Life Span—the Psychology of Self Development? The courses do

Development? The courses do whet the appetite: writing skills, music making, Russian literature, crafts from basket making to Christmas gifts and fabric ornaments and, from Mystery Weekend.

Another organisation worth contacting is the British Uni-

versities Accommodation Con-sortium. Based at Nottingham University, BUAC masterminds courses and conferences at a wide range of UK universities. Here again most of the action is in July and August, but growth in university accommodation is extending

the service.
Sheffield University offers two exotic cooking courses, Indian cookery and Japanese entertaining, and Lancaster is offering two flying courses aimed at potential pilots of all levels of experience. Prices start at £190 for the complete beginner, including almost five hours flying time during the week long introduction. We've certainly come a long way from the Workers' Educational Association.

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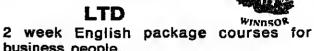
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The unlovely face of timeshare

NIMESHARE PESTS are as welcome as locusts at harvest time. If you are lucky enough to be on holiday right now, having survived the inevitable airport delays, the French air-traffic engineers strike and the grounding of mechanically suspect aircraft, chances are that you are being pestered by timeshare salespeople on your way to the beacb, or when you visit the

local bars or restaurants.

If you have not been solicited on the Costa del Sol, the Algarve or the Canaries, then you are bound to have received some timeshare junk mail. This usually takes the form of spurious "prizes" and "awards" that can be collected only by visiting the development and undergoing a lengthy brainwashing session - at which you must produce some form of identification, be accompanied by your spouse, be over 25, and have an income of at least

£15,000 a year. No wonder the Office of Fair Trading has just launched an inquiry into timesbare following complaints about high-pressure salesmanship, escalating management charges, and lack of an adequate re-sale market for timeshare weeks. Its report, to be published oext year, will he the latest salvo against the excesses of timeshare salesmanship and management.

In May, the Advertising Standards Authority cited "the regular string of complaints" it receives from people who are offended by the somewhat ludicrous gimmickry used in mail-shots to prospective cus-tomers." Letters are posted in

Euro-MP Edward McMillan-Scott, who calls timeshare "the golden fleece," wants selling brought within the 1979 Estate Agents Act so that a customer's money is kept in a separate account. He also thinks the Law Commission's recommendations on frand might

ferent from other junk matl-ings, and overprinted with

words to auggest urgency. Some window envelopaa

appear to coutain genuine cheques, which turn out to be vouchers for so-called prizes or

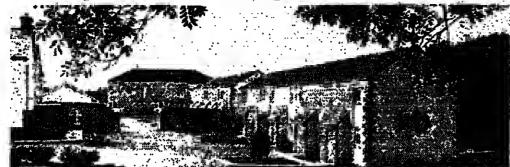
awards.

The OFT investigation has been welcomed by the time-share industry's self-regulatory trade association in Britain, the Timeshare Developers Association, which claims its code of ethics "strictly controls advertising, sales, promotion, gifts, awards, and all other forms of solicitation.

cover timeshare contracts.

In fact, some of the com-plaints about misleading advertisements or direct mail-shots relate to present or former TDA members, but the association says: "The number of complaints are miniscule in rela-tion to total sales of timeshare."

However, it has introduced a conciliation and arbitration service to hear complaints against developers or market-ers, whether or not they are



TDA members. TDA chairman Graham Wil-liams, managing director of the Elliott Property and Leisure Group which has developed successful timeshare schemes in London, Salcombe (Devon), Scotland, France and Portugal, thinks the OFT report should recommend that the Trade Descriptions Act and the Mis-Services Act be applied to time-share. "Those developers who will not embrace fair and rea-sonable trading practices should be stamped ont," he

ays. The sad thing is that the selling methods are what have got the industry such a bad name, whareas the actual product generally is popular: why else would 150,000 British families own timeshare weeks already? And why would this number be increasing at the rate of

owning 73 resorts in the UK and others in some of the 60 countries in which timeshare 3,000 a month? They are not all people tricked into buying, for surveys show that most people are pleased with the timeshare

has been sold to 1.5m owners world-wide. Gross sales to UK owners were £170m last year, and to Europeau owners 2300m, with the average price Left: Carvynick Cottages near Newquay, Cornwall, which are for sale for £1.3m. The reason: there are 417 timeshare weeks unsold in the 30 cottages. Left below: a sketch of the development a sketch of the development at Loch Lomend in Scotland where a derelict mansion is being turned into a five-star otel. The project includes 100 timeshare lodges, built around a new golf course, which will be ready around this time next year

of a week's timeshare being \$5,500 and the average mainte-nance charge being £110 per week owned.

Not all timeshare develop-ments are successful, however, construction and marketing costs are so high that many have found they are under capitalised and have had sell their developments on to major com-panies such as Barratt, Wimpey and Costain. The mistaken idea that timeshare development is a licence to print money so seduced Allerdale District Council in the Lake District that it borrowed £6m from a Swiss bank to finance a timeshave development and lei-sure pool at Keswick Bridge. The first 20 lodges were com-pleted last summer, but sales have been so slow that the council is having difficulty meeting its loan repayments. Yet, according to the English

It's popular with the public but the selling methods have harmed its image, says Michael Hanson Tourist Board, timeshare projects in the Lake District have attracted more investment than anywhere else in Britain, and some of the most successful timeshare developments are to be found there - including Langdale, which has won awards for its design.
Of the many timeshare schemes in Scotland, Loch

Rannoch (now owned by Bar-ratt) was the very first in Britain. One of its successors, Craigendairoch at Ballater (tel. 0338-55858) has become one of the most successful combinations of hotel, leisure centre and timeshare lodges in the nation. Here, the hotel is renowned for its award-winning chef, Bill Gibb; the leisure centre—is where the royal-princes swim when they stay at Balmoral, and the timeshare lodges are modelled on those at Langdale.
Craigendarroch is being

developed by Cannon Street Investments, which is well advanced on building its next scheme on the banks of Loch Lomond. At this site, Cannon bought from Allied Lyons a derelict Scottish baronial man-sion. Cameron Honsa and 106 sion, Cameron House, and 106 acres of land last used as a bear park. The mansion is being restored and extended to make it a 70-bed, five-star hotel and country club, and the first of 100 timeshare lodges built around a new golf course laid in the park will be ready this

in the park will be ready this time next year.

Another popular place for timeshare is Cornwall, where Costain is developing Clowance, near Camborne (tel. 0209-831-111). Compared with other developers, Costain goes for the softest sell of all; but the soles results steak for the sales results speak for themselves, with the third phase of 16 lodges under con-struction, proving people will buy if the product is right

Yet, why are Carvynick Cottages, near Newquay, for sale through Miller, the Truro agent (tel. 0872-74211), for cl.3m? Because there are 417 timeshare weeks unsold in the 30 cottages, representing potential sales of £1.95m, with another 900 weeks worth £7.4m if another 18 cottages are built (planning permission has been

Apart from its high-pressure selling methods, timeshare has become notorious for the difficulties people have in re-selling their weeks at a later date.

One man who is trying to remedy this situation is Peter Lewis, who runs Primeshare International from offices at 41 Bury Street, Stowmarket, Suf-folk (tel. 0449-616-041). He now has 16 staff and expects to handie more than £1m re-sales this

"We get 80 enquiries a day, "We get 80 enquiries a day, and our best buyers are existing timeshare owners, but selling can be a long drawn-out process," he admits. "The trouble is that people expect to resell for more than they paid originally, when what they should be doing is regarding their years of free holiday accommodation as their accommodation as their profit."

I HAD WON, so they promised, one of five prizes. Either a 14-inch televisioo or two tickets to Florida, a video camera, a compact disc player or a Peugeot 20S. How could - wby should I - resist?

Clotching the piece of paper that announced my good fortune, 1 arrived apprehensively at an address in central London's Leicester Square and was given a questionnaire to fill oot. There was a whole room of us. hot and awkward, but we were soon put at ease hy a "consultant" who led us into the inner chamber of the anonymous office block.

On our piece of paper, we had been told that our part of the deal was to spend two bours listening to the possiblities of buying into a holiday: of course, the term timeshare was not mentioned. First, though, there was

GROUP

NW

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another form to be filled-in and a lively demonstration on a white blackboard of the (on the face of it) undeniable virtues of buying a week on the Portuguese coast for 23 years, rather than renting one at an ever-increasing rate of inflation (say, 10 per cent to help the maths) over the same

period.

And, of course, you didn't have to go there! There is the whole business of swopping your timeshare. "Where would yon like a free week?" she asked us all in turn, marking it up on the white blackboard; bot as the islands and continents began to beckon with the dark hlue seas of fairy-tales, she wiped them

This particular invitation was to buy into the tiered white complex on this particular part of the Argarve. ranged around two swimming

To Florida, with hidden extras

George Charles gets an unwelcome taste of timeshare's hard sell

pools with sea views from at least some of the balconies - and, by this time, the video had been turned on. "Look at all this sun," an agreeable man was saying, wiping his brow, "and it's October already." (Which might also have explained the long stretch of empty sandy beach behind him). Several interviews with happy couples later – all of whom promised us it was very clean - uone of us could have protested that the place did not look rather

This was all fair game, and no more than we deserved: it was what followed that was

instructive. The video switched off, new "consultants" came to each
table to help with the
making-up of your mind on
the spot (recalling childhood
scenes of Billy Graham rallies
where you had to say right
then whether you would or then whether you would or wouldn't). I asked my consultant, timidly, if we could take a few days to think about it. "No," she replied, firmly. "We see so many' people each week, we just could not deal with the

they own.
Like it or not, timeshare is big business. There are 60 time-

share companies in Britain,

Spotting a potential interest, she laid out the figures for me. There were three types

(that is, times of year) at different rates: peak time, roughly summer, regular time, roughly winter, and an in-between category, roughly spring and autumn. Now, it so happened that, due to immense popular demand, they were ont of the Regular weeks, which were the cheapest, but they did have the middle range left.

However, she laid out both sets of figures so I would know what I was missing with the Regular even though it was all gone; just over £5,000 for the Regular and just over £7.000 for the middle range. For signing straight away

(although there was no other option) you got £1,100 discount off the Regular and £1,500 off the other. You had to put down 25 per cent of the total then and there and the rest could be paid in monthly instalments. The rate of interest was not mentioned.

Since I had not said "no" immediately, I suppose they assumed I was about to say "yes." When I objected that, generally, I needed to think about such things, my consultant offered helpfully to take my credit card and show it to her supervisor, who would see it as an indication of my good intentions.

When I demurred at this, she suddenly had an idea that there might be some Regulars left and she would bring her supervisor over to see me. "You might be lucky," she promised as she left, ignoring my plea that, seriously, I was afraid I was wasting her time.

What a surprisel The supervisor appeared and told me I was, in fact, incky; there was a Regular available after all. And because it was not only a spare Regular but one that had been returned, it was only half the normal price of a Regular since the company had taken its profit already. This week would cost me only £2,000 (roughly, but I was losing contact with the figures) and I no longer had to pay the 25 per cent deposit-but only £400 — surely I had that much in the bank? And the offer was for only valid now - on the spot.

When, mouth drying, I got np, refused coffee for the second time and said I really second time and said I really had to go, my consultant tore the paper with my figures on it into four places and dropped

them on the floor.

But they hadn't forgotten my prize, which turned out to be a voucher for the two tickets for Florida — under rather stringent conditions that had not, for some reason appeared on the original list. The voucher could be used only if you booked for 14 days at one of three hotels through a particular agency, and prices

a particular agency, and price ranged up to \$120 a night for double occupancy, That wasn't the only catch, either: 65 days' advance booking, 66 days' advance payment, not available at Christmas, Easter and various other convenient periods. Would suyone like two tickets to Florida?

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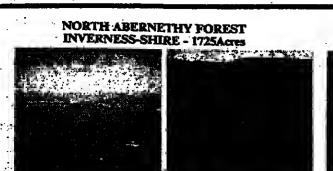
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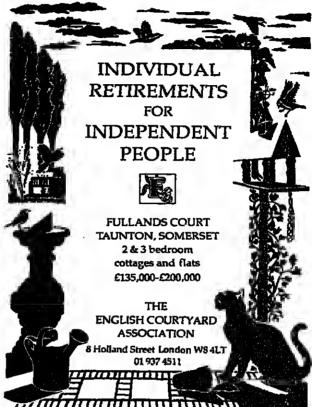
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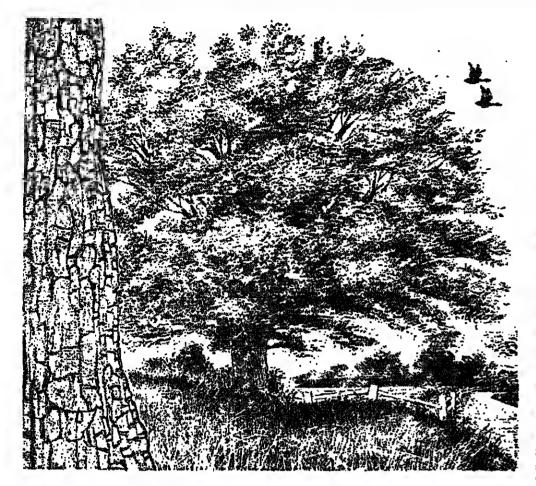
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How to turn over a new leaf

Arthur Hellyer tries to get at the root of tree disease problems



REES DIE from many causes. Often, it is just a case of old age. The normal life of a tree varies enormously according to its kind; perhaps as little as 30 years for a laburnum or as much as 300 for an oak. Some trees are very sensitive to drought, but the damage caused might not hecome apparent fully until a year ur so after the event.

Trees also suffer from many

diseases. Some are peculiar to one genus such as the notori-ous Dutch eim disease; the less-publicised but highly-damaging willow canker; or beech bark disease which, like Dutch elm, depends on a partnership between an insect and a fungus (in this instance, the insect-makes a small wound in the bark into which the fungus enters and extends the damage

Then there are pests such as squirrels, rabhits, voles and other creatures which gnaw away at bark, often removing tright round a trunk or limb.
This stops the downflow of sap
and soon brings about the
death of everything above the

wound. Cattle, deer and goats can cause similar devastation, and there is not much that can be done about it except fence the trees efficiently, either by purely physical means or -probably at less cost and with less damage to the landscape - with electrified wire of the

kind used by farmers.
But the most frequent cause of tree death, almost certainly, of tree death, almost certainly, is infection of roots by fungi carried in the soil. This is well-recognised, but those who are not expert in these maiters nearly always blame a single fungus, the one known scientifically as armillaria and popularly as honey fungus. This certainly is widespread, and ficould well be that it does top the list of fungi killing tree roots in Britain; but accurate diagnosis is more difficult than is supposed commonly and is supposed commonly and there is little doubt that many of the losses attributed to honey fungus are, in fact, due to other, less-familiar fungi

It really does not matter much for, although there are soil treatments marketed espe-cially to check honey fungus, they are probably just as effec-

tive against other soil fungi. Personally, I would not bother to use any of them except for specially valuable trees; the lahour and expense involved are too great. There is strong probability that, despite the treatment, the tree will be killed eventually or crippled so severely that it will not be worth preserving.

worth preserving.

I take a similar, rather fatalistic view about most tree diseases, not because all the remedies available are ineffective but because of the physical dif-ficulty of applying them to any but young trees. If cultivation is good, and the soil is drained adequately (but not excessively) and fed properly, most trees will be able to look after themselves and will shrug of

It is in old age, or after damage by storm or drought, thet diseases get the upper hand. Then, it seems wise to accept the inevitable, fell the tree, grub-out or chip the roots, and re-plant. And while common the common that would appear that the state of the control of the c sense would suggest that the re-planting should be in some quite different place, experi-ence seems to indicate that even this is not essential. I have known perfectly healthy suckers to grow from the roots of trees that had fallen down

of trees that had fallen down because of disease and, more remarkably, to go on growing so that, in time, they made fine, healthy specimens.

What is very unlikely (and this might seem surprising after all the scare stories of recent years) is that any tree in your garden, your woodland (or even your forest, if you happen to own or have shares in one) will die from the effects of acid rain, it might be different in some parts of Europe ent in some parts of Europe but, in Britain, trees in general seem to be almost unaffected

Since 1984, an annual forest health survey has heen con-ducted by the Forestry Com-mission throughout Britain. mission throughout Britain.
Trees have been examined for
the density of their branches,
the discoloration of their
leaves, shoot deaths, dieback,
and other characteristics significant in determining their
condition. The results are
undramatic, yet interesting.
There is evidence that some
atmospheric pollution is hav-

ing a beneficial effect on trees, making them grow faster and improving the density of their improving the density of their crowns. It also appears that trees may act like filters for polluted air, transferring chemicals from it to the soil from which these chemicals may be beautiful. leached into ditches and streams and finish up in lakes. All air, even in the most pristine places, appears to be acid; and, in Europe, it is said there has been no significant increase in acidity during the

10

increase in acidity during the past 120 years — only a change in the pollutants.

As usual with scientific studies, it is all far more complex than it appears at first and it would be foolish to rush in with hasty, ill-informed judgments. Anyone wishing to study this Forestry Commission research can do sn hy nhtaining. Air Pollution and Forestry by John Innes, price 52.60 net from HMSO Publications Centre, P. O. Box 276, Lundon, SW8 5DT (tel. 01-622-3316): or over the counter from HMSO bookshops in London, Birmingham, Manchester, Belfast and Edinchester, Belfast and Edin-

MUCH as we all sympathise with Michael Thompson-Noel's experiences as a racehorse nwner (Weekend FT, August 12) I fear that even the honour Twit of the Year is not one which he can expect to win without a challenge. He appears to be forgetting gar-deners. Fools and hurses are a natural pair but what about plants which make a fool of us? At heart, gardeners have to be nutters. For years, I wondered nuters, For years, I wondered what happens to all those enticing types of plant which appear in the best garden centres but very seldom appear in their customers' gardens. They cannot exactly be sold to Sweden like a Thompson-Noel two-year-old when they start to be obstinate. The only answer be obstinate. The only answer is that customers kill them.

Honest gardeners know that they are lethal. The poet and novelist Vita Sackville West once admitted that the death-rate in her garden far exceeded infant mortality in the Middle Ages. One essential qualifica-tion for the Twit of '89 is that he should have killed at least

early March, saw the snow fall on the following afternoon and lost the plant by March 31 to a second cold snap as it was coming prematurely into leaf. Whoever heard of a filly being finished off by frost on a cold

It is not even clear that there is very much difference between horse-dealers and nurserymen. Both of them seem to have forgotten the meaning of have forgotten the meaning of the word controllable. One of my heaviest orders recently went winging up to Scotland for fragments of rare agapan-thus, little-known six-footers for the hack of the horder, long-lost montbrettas and all sorts of surprises which were to emerge from a reclaimed walled garden with a missinn walled garden with a missing to sell us something new. The wretched things should have been sent with their nwn dou-

Yesterday's choices have become tomorrow's weeds. It is true that the hutton-flowered Achillea Perrys White will flower for longer than the one plant from frost. Frost in 1989? It existed, at least for but you should be warned that those of us who planted a it careers off in good-to-firm

Plants are up and running

Robin Lane Fox on his contenders for the title 'Twit of the Year'

going and collides with anygoing and collides with anything in reach. It is also true that Verhena Gravetye does produce masses of small violet-hlue flowers hnt it, too, careers off the course. The uperative part of the "unusual" Boltonia is the first four letters of its name; as for the fashionable Campanula takesimana ought to be confined in hlinkers and turned out to grass in a wild garden. I suppose it is poswild garden. I suppose it is pos-sible that all these plants were so thankful to be out of Scotso thankful to be out of Scot-land that they ran wild on see-ing the south. However, they taught their bad habits to a double-flowered orange red poppy which was supposed to he obedient. In fact, it scat-tered its seedlings everywhere, started to run sideways until I caught it and hurnt it. Garden-ers do have their nwn little tricks of disposing of what they do not want.

weeds has cost me £50 and I really could not sell it with a clear conscience, not even to a French jardin des plantes. Twits do need to be told more clearly whether their plants will be invasive. Perhaps you think that shrubs are a safer het. You forget, however, that bet. You forget, however, that nurserymen graft the slow movers which is much more effective than cross-breeding with Sir Ivor. The coarse root stock gives the top growth a surge of energy and the punt-ers are kept happy.

Actually, the root-stock is horribly likely to throw up more suckers to join its own-ers. I have written here about the charms and tribulations of

the charms and tribulations of the scented white viburnums which I am planning to train into a slightly formal shape, Out of eight, only four flowered and I now find that the four non-flowerers have sent Anyway, that little parcel of up luxuriant growth. It is not,

- ----



however, vihurnum caricephalum but tell-tale viburnum lantana, emerging from below ground-level. Wanting a quick sale, the growers grafted their plants and left me to cope with a mule whose lower half I never wanted former to of this modern trick of the trade: unnoticed, it would have washed another £50 down the

drain and left me with some-thing beastly. It would have cost even more if I count in the medlar which I had given to a mediar which I had given to a friend as a moving-in present. It looked fine for a year but there was something odd.about the trunk. It then gave itself away hy sponting hawthorn suckers from the base, reveal-ing what a head of genuine mediar had been given as an unwanted base.

Grafting is sometimes inevi-table hnt it is a menace to twits if badly done. Doping is not such a problem but there is still a stewards' inquiry about the recent non-performance of an over-priced climbing Pileos-tegia which I planted in Fehru-ary. In my view, my wife pol-soned too much of the gravel path which runs only a few varis from its site. She insists that it was one of the week-ends when she was not feeling like murder and that the plant

had simply died from natural causes. They cost another £10 and this year there have been plenty of them.

The drought has accounted for a new silver lime tree and a freshly-planted Sorhus, at a cost of another £25. It also cost of another £25. It also wiped out the one group of vio-las which I forgot to cutback hard in July. Drought also stopped my first two sowings of bardy annuals from germi-nating (another £11 on seed nating (another £11 on seed packets) and the season has been a godsend for greenfly which have stripped the fuchsias and cost me my impulse-buy in the market. They have shown not the slightest dislike for the "green" gardeners only antidote: a mild spray with washing-np liquid. They are not called greenfly for nothing.

I could go nn: the rare Cynara Histrix set me back £7 and turns out to have the hope-

and turns out to have the hope-lessly non-British habit of going underground from July

until mid-December when it foolishly sends up new growth. Pound for pound, I am exclu-Thompson-Noel might just make it in a photo-finish. I must, however, emphasise that

this level of mistake by experiment continues yearly for all of us who garden for fun. If it is not drought, it is ice: if it is not greenfly, it is someone else's dog. Racehorse owners know that it is all an overpriced gamble but they do it for a thrill which a Thompon Noel can see to be spurison Noel can see to be spuri-ous. Grin and lose it does not seem to be the full story. Gardeners know that losing is a necessary part of the process, yet the losses are part of the fascination.

fascination.

Whatever will that innocent young wisp of greenery get up to when you let it out of its new paper wrapping? Horse-owners, I suppose, could team up with us fellow-twits and pool their inevitable waste. Perhaps a failed Derby hopeful might eat a diet of dried verbena but there is no doubt that a grafted viburaum will appreciate more horse manure. Actually, it prefers pig-manure, ally, it prefers pig-manure, especially now that it is shred-ded; could it, perhaps, be that pig-farming is the real twit's the inside rail there is a grunter which will deny both of us our honorary title?

COUNTRY PROPERTY

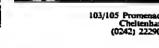
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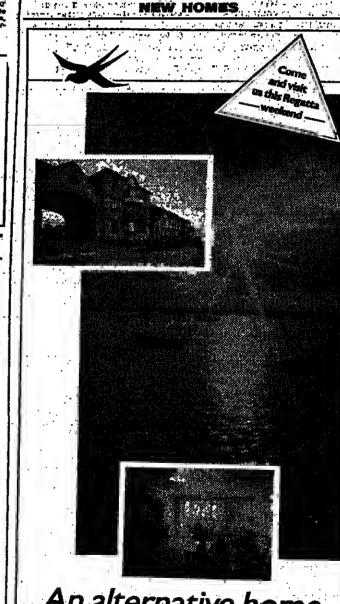
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TRAVEL BUSINESS

The boys who cried 'wolf' too often

PARE A thought this weekend for Britain's beleaguered package tour operators. Not only have they had their worst summer in recent years in terms of falling sales, but they have again had to cope with irate customers fed up with lengthy airport delays and some with sewage in their hotel swimming pools. Perhaps the most galling in than for travel chiefs this summer is their lack of

credibility with the public. Way back in the winter, the top tour companies decided that rising interest rates and a general sluggishness in holiday bookings meant that they should lop 20 per cent - roughly 1m holidays -from this summer's charter capacity.

The result, they said then, was that by August, those holidaymakers who had left their bookings to the last minute would have trouble finding the deal they wanted.

Like the boy who cried wolf" once too often, nobody believed them. The razzmatazz and hype that is so much a feature of the travel trade meant that the increasingly sophisticated consumer saw this as just another marketing

Control of the second



ploy to get people to book

Too many holidaymakers. moreover, recall experiences of recent years when panicking tour companies dumped unsold seats on the Two years ago, for example, return flights with accommodation to the dediterranean were selling

for as little as £29 per person.

This sammer, though, the tour companies were proved right. Bookings did alump badly and their decision to offlore charter airline capacity

offices charter atrune capacity at an early stage was fully institled.

If you don't have empty seem then there is no temptation to try to sell them at a discount as has happened in recent years to the nt of tour operators," says Vic Fatah, managing director of Redwing Holidays, the third largest operator

the third largest operator which is 50 per cent owned by British Abways. "We've been in the wonderful position of sending planes out totally full without having to fill empty seats at silly prices."

What this means is that those holidaymakers who thought they would be able to pick my planty of last adminishment hargains have been fractanted. Travel agents throughout hethalit report the satisfies shown by consumers when test have the interest on offer.

late begating on offer.
These are indidays still available from all travel agents — but the choice of fination, flight times and hotel accommodation is severely limited. Similarly, discounts are still to be found, in spite of what the tour operators may say, but there is little chance of matching a discount to choice of resort

Spain, surprisingly, is almost fully sold (albeit at a much lower level than last year) in spite of all the bad publicity in recent weeks. But Pickfords Travel, to cite one, still has Spanish packages available: for example, seven rights on the Costa Brava, departing August 30, for £134

per person. Greece and Portugal are also heavily sold out among British package holiday suppliers, even though fewer Britons than last year are holidaying in those countries. The best bargains at travel agents are most likely to be found in Turkey, which has confound the operators who believed Turkey's new found popularity would continue this year. Surprisingly, the "in" Mediterranean destination. of the past two years has had a poor year with Britons. leaving significant numbers

of holidays still to be sold. One destination enjoying a repaissance with Britons this summer is Italy, the only Mediterranean country to record an increase in British

package holidaymakers this sumer. Even here, however,

left: tour operator Citalia, for example, has 14-night holidays at the Hotel Eden in Torre Canne in southern Italy available from August 26 at £557 per person. The best late holiday bargains, according to travel agents, are still to be found

there is still some availability

agents, are still to be found in the Caribbean. Tour operators had put on a massive increase in charter capacity to islands such as Barbados, Jamaica, and St Lucia this summer in the belief that the weak dollar and novel destinations would lure Britons away from the

Mediterranean.

But the strengthening of the dollar — leading to charges on Caribb holidays — and cuts in disposable income have taken the edge off the Caribbe Speedbird, part of British Airways' leisure division, has knocked £100 off the brochure price to holidays to Jamaica. Even up-market operator Caribbean Connection is giving a 5 per cent discoun on late-August bookings.

Florida, on the other hand. has recovered from a potentia shortfall in bookings a couple of months ago to rank as easily the most popular non-Mediterranean destination this summer. The massive popularity of Florida's Walt Disney World has meant that few operators now have packages left until well into September.

Yet the real success story of the summer has not been found overseas but in the domestic holiday market. Many people have chosen to sidestep all the hassles at airports by holidaying in Superbreak, for example

offers a range of hotel and other types of holidays in the UK and reports that sales this summer are so far some 46 per cent up on last year. "It is the hotels with the indoor leisure facilities which are selling first," says Christopher Dunn, Superbreak's joint managing director.

Yet accommodation is still available: the Derwenter Hotel. in Keswick in the heart of the ke District has to £36 per person per night, including dinner. Wales has also enjoyed 2

boom in bookings this summer - up by 50 per cent on last year - although the Wales



MAKING NO EFFORT TO STEAK THE LANGUAGE ' Tourist Board says that

accommodation is still aveilable for late August. "The old rules of holiday taking no longer seem to apply," points out Wyn Mears, the board's marketing director. "Two-week holidays are no

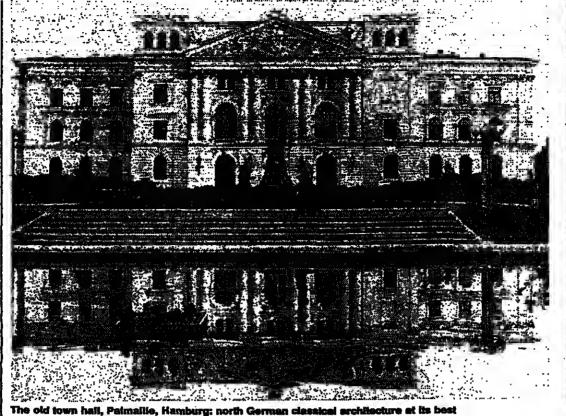
longer confined to July and Augustand short-breaks are taken as frequently in high season as in the autumn or spring," he adds. The lessons from this summer are clear for tour

operators and holidaymakers alike. A "new realism" is beginning to penetrate the travel trade as tour companie realise that chasing volume with wafer-thin margins is a no-win strategy. Already, the top tour operators are planning to cut out a million holidays from next summer's charter capacity and are ready to hike up prices by an average of 10 per cent to meet rising costs and bolster their profit margins. Such determination should

become clearer when the first brochures for next summer are published at the beginning are published at the beginning of September. Although it would be hard to expect the tour operators to forego their traditional pleasure in hyping up the holiday market, travel chiefs must realise that if they are to re-establish credibility with consumers they have to

mean what they say. If Thomson Holidays and Intesun - the big two operators with almost two-thirds of the package holiday market between them - can avoid the temptation to break their truce in the holiday price war, then next summer's holiday market could herald a new era in the

travel trade.





Hamburg – as German as Grimsby

The Reeperbahn is rich in reputation - but there is little there to titillate, thinks Roger Beard

and neon of a dozen fast-food bars, is a 12-piece High Andes Indian folk-band, complete with black hats, horse blankets and nose flutes. Of all Europe's many itinerant South American groups, they are certainly the most exotic, and probably the most skilled. No one knows how they got there, only the immigration authorities care. And when they swoop periodically to round them np, the band is spirited away by the city's underground in a cloud of mountain dust. That is the mark of this most tolerant of German communities, the free state of Hamburg.

The first sign of it comes at the airport, 20 minutes by road from the city centre, on the splendidly-named Zeppelin-strasse. The voices on the Tannoy are not quite right: too soft, too lilting for northern Germany. For this writer, they came as a physical shock. Ger-

N THE concourse of Hamburg railway station, lit by the glitz and neon of a dozen bars, is a 12-piece strut, they do not fit the stereotype. They even say please and thankyou. In short, the Free and Hanseatic City of Ham-burg is about as German as Grimsby, at least in my view.

If you know Amsterdam or
Copenhagen, or oddly enough
Venice, yon will be immediately at home in Hamburg. It
has an elegance that not even Bomber Command could destroy, though it did its level best. The miracle is what was left, for Hamburg is a city of 18th century church spires, haroque and coppered in a damp climate which ensures that verdigris turns them the hrightest, palest green. They dominate the skyline from across the Alster lake in such numbers that Bomber Harris and his cohorts might never have existed.

The Alster, in truth a dammed-np tributary of the Elbe, holds other surprises.

Towards its far end, a mile or two from the city centre, it mirrors the upper Thames. The lakeside houses might be at Chiswick or Richmond; grand along with the majority of the stucco villas with lawns and willows come down to the water. This is inevitably where the "quality" live, with a view back to their city that demands a painter far more imaginative than these dour Hansa have ever produced, which is where Venice connection comes

Both cities are built round, in, and over water. Both have been maritime republics, and both city states. The difference is that Hamburg has yet to be absorbed. It is still a city republic and still a city state. A source of great pride, its independence also carries a cost. Hamhurg must pay its way within the German federa-tion in all apart from national transport and defence, and in particular must fund its own unemployment, of which there is a great deal. Twenty five years ago Blom & Voss slipped

Florida

Jamaica

Los Angeles

namesake dead and huried, along with the majority of the jobs in the shipyards. Yet the harbour trip, which takes in those weed-strewn, deserted slipways that also saw the launch of the Bismark, is top among Hamburg's official tourist attractions.

As is the Reeperbahn, where once the only holds harred belonged to the female mud wrestlers, and seedier slipways saw the launch of every sexual aberration known to a Baltic sailor. Today, apart from the occasional whore, all the Ree-perbahn offers is the Meyer Lansky Bar, named after the Mafia's late chief accountant.

Thus has Hamburg returned to its mercantile and strongly Protestant roots, in this the 800th anniversary of its charter as a port. When the Tall Ships Race concluded in the Elbe in July, the parents of the young crews had little to worry about beyond the price of a pint and cultural indigestion. On my visit, indigestion started with Verdi and Traviata at the Ham-burg State Opera, less than three hours after take-off from Heathrow. As with all fine cities, it is the contrasts that make the greatest impact the half-size bronze of Charlemagne outside the Roman Catholic church against the nearby colossus of Luther, robed like an overweight Hanseatic banker; the minute wine shops of the old quarter against the chic department stores of the shopping pre-cincts; the discipline of the motorists against the good-hu-

cyclists The last are everywhere, on heavy roadsters, without a bell in sight - Hamburg's nod to the Green movement. In a city where the cycle tracks cross both road and pavement, you walk at your peril, hut walk you do. Most of the sights are within the old city, and those that are not can be reached by boat or water bus.

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CRUISING/SAILING

CARIBBEAN.

moured anarchy of an army of

Above all, this is still the eating capital of the North. with a choice of small, modest restaurants you must ferret out for yourself, armed with little more than a phrase book and a finger to point with. The same goes for the food shops. Neither are in the guide books, which concentrate on the expensive and the interna-tional. At the family-owned hotel Europaeischer Hof it was not the well-appointed rooms or even the swimming pool which proved the main attraction, but the bedroom Frigo-bar. Take out the bottles and cans, and you can fit in four smoked eels, three kilos of smoked herring, and two of smoked halibut, with enough room for the schnapps.

■ I travelled c/o British Airways, which has daily flights from London Heathrow. Further information is available from Hamhurg-Information, Burchardstrasse, 14,200, Ham-

Now that's a real souvenir.

A touch of class

Empress Zita slept here

OU CAN have a lot of fun at Heathrow if you know what to do, even if your flight to Funchal is five hours late. The best thing to do is to exercise yourself gently hy patrolling those ritzy shopping malls to which Heathrow (and Getwick) are almost entirely given over - and keep your

eyes on the floor.

1 did this the other day. 1 was not going anywhere, at least not immediately. I had five hours to kill. My flight had been due at 5.10pm, and finally left the gate at 9.57. So 1 patrolled the shopping malls, my eyes on the floor. And there it lay, crisp and freshly-minted, a £10 note, which 1 at

once scooped up. It did not take long to work the whole thing out.

Flying from Heathrow (or Gatwick) to anywhere else in Europe in summertime has now become so chancy that the people who run those airports (the people you never see, who keep an exceedingly low pro-file) have ordered emergency action. They have employed a men to scatter £10 notes, particularly near the shopping

malls.

As a result of finding that money, I arrived in Madeira a reasonably happy man. This was good, for it put me in a suitable frame of mind for staying at Reid's Hotel, which is grand and comfortable and a member of Leading Hotels of the World. The rich and the World. The rich and famous have all stayed at Reid's: Bernard Shaw, Lloyd George, Sir Ernest Shackleton, Sir Winston and Lady Churchill, the Empress Zita, Roger

Surrounded by ten acres of semi-tropical gardens and perched on a cliff overlooking Funchal bay and the Atlantic, Reid's offers excellent food, two large heated swimming pools, private bathing jetty, sailing, tennis, etcetera.

Funchal is small and tedious. At present they seem to be rebuilding it. But spare an hour for a guided tour of the Madeira Wine Company's lodges on Avenue Arriaga, next to the tourist office. Whether you drink the stuff or not, you are bound to enjoy its small museum.

They have account books dating from 1782, and numer-ous framed letters. One of them, from Clarence House,

dated October 12 1959 and signed by a lady-in-waiting, reads in part: "I have been desired by Princess Margaret to write and thank you most sincerely for the crate of Madeira wine which has arrived here safely."

Generally speaking, give Funchal a miss and escape into the island's interior, for Madeira is exceptionally beautiful. Because of its climate and its position on the old sea routes - it is off the West African coast, just north of the Canaries - the island owes much of its floral finery to distant lands, including bougain-villea, jacaranda, tall silk oaks from Australia, hibiscus, frangipani and poinsettia.

The island is criss-crossed by

levadas, a unique and complex system of small irrigation channels which carry water from the northern side of the island and from the high mountains to the fields and villages below. There are hun dreds of kilometres of path-ways running beside them. Because these pathways are mostly on the level, they offer a simple means of penetrating the mountains and forests. Urs Buhrer, Reid's excellent

you can hire a taxi for a day and tour the island, with an English-speaking driver, for about £36. Madeira's weavers are reck-

oned to produce more than 800 types of wicker basket. 1 bought one in Camacha, the hub of the wickerwork industry. I handed it in at Funchal airport, Many hours later it reappeared at Heathrow, riding the carousel, unbent and Current room rates a

Reid's Hotel, including continental breakfast, range from 272 to £390 per night. Full pen sion: add £36. Tel: (351)-91 23001. Fax: (351)-91-80499. I travelled c/o TAP. Return flights from approximately £196. Tel: 01-828-0262. Direct scheduled flights to Funchal are also operated by GB Airways and Air Europe. UK tour operators offering

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TIMINATION TAKE		

Perfect – and happily married

Rachel Billington reviews a biography of the cartoonist Osbert Lancaster

SBERT LANCASTER produced pocket caroons from 1939 to 1981 - with an interval for the Second World War when he was press attaché in Athens. Apart from this Bradman-like innings in journalism, he was, his biographer claims with that confidence that tends to alienate, a wit.

on being asked why old Car-thusians (who included Lan-caster and his mentor. Max Beerbohm), kept harking back to the place they had detested. Lancaster replied, "I expect that you would find much the same with former inhabitants same with former inhabitants of Dartmoor."

He was not only witty but also, until his melancholy decline into old age and illhealth, the life and soul of any gathering. A colleague at the Daily Express remembers how, if she admitted to feeling low, he'd say: "Don't be fed up. I'll sing you a little song."

Aside from pocket cartoons, Osbert Lancaster wrote and illustrated books about architecture, politics and Europe. He it was who invented or at east propagated, such wonderful terms as "Wimbledon Tran-sitional", "Pont Street Dutch" and "Stockbroker Tudor," Without him there is no doubt that the 1950s and 1960s partic-ularly during breakfast, would have been duller times to have lived through,

All these talents, unfortunately, do not necessarily add up to a good subject for a biog-rapby - especially when the OSBERT: A PORTRAIT OF OSBERT LANCASTER by Richard Boston

Collins £17.50, 256 pages

biographer is as charmingly biased in his subject's favour as Richard Boston. The only imperfections we are allowed to discover in his hero are the tendency to make sure in a shared taxi his was the first stop and a lack of enthusiasm for picking up the bill in a restaurant.

Otherwise he is shown to be more or less perfect - wittier than Waugh, subtler than Pevsper, nicer than Connolly -about whom he was not very nice. When asked if he had fallen out with him, he said he

had never fallen in.

In Boston's opinion, Lancaster was unusual in remaining to the end of his life what he had been at the beginning of adulthood, "a Church of England concentration better England, conservative hetero-sexual". Let others become communist. Catholic or disagreeable, he didn't see the point. The only three people (men) he ever recorded an active dislike for – and one was a teacher at his school – were all fat men in uniform and homosexual. Tiberius and James I sprang to his mind in this context.

Worse still from the biographer's point of view, he mar-ried happily and, after this wife died, married again hap-pily to the clever and kind and glamorous Ann Scott-James. Nor did he suffer from any-thing very much, apart from an early flirtation with tuber-culosis but even that turned to his advantage as he used it as an excuse to escape from fam-ily pressure to train for the

Lancaster was born rich, earned more and seems to have spent every day doing what he enjoyed most. His year in yearout routine of late breakfast, work in dressing-gown, Mar-tini, lunch st cluh, Daily Express to produce cartoon (the dangers of Beaverbrook assiduously avoided) followed by jolly evening out, may pro-voke more envy than close

Yet there are the cartoons, reproduced lavishly in this reproduced lavishly in this book — although nnfortunately on paper that weighs extraordinarily heavily. We see goggle-eyed Maudie Littlehampton, hushand Willie, daughter Jennifer, still as funny now as ever, expressing everything their equally goggle-eyed creator had to say in extremely succinct form. Here was a commentator, predisextremely succinct form, here was a commentator, predisposed to the status quo who had found the perfect standpoint from which he could laugh, on the whole rather sympathetically, at the foibles and even passions of others.

Once more the biographer is at a disadvantage: Lancaster

at a disadvantage; Lancaster was a great cartoonist, a great talker but not a great letter-writer nor, in his autobiogra-phy or elsewhere, was he dis-



his "Classical Landscape with Figures" ((1947)

posed to examine his inner self. Taking his tone from his subject, Boston does not pre-sume to probe either. We are given instead a superficial pic-ture of a man who dealt, above all, in the superficialities of life — in style, fashion, behaviour, class and attitude. That made him a very good social histo-

rian.

Lancaster maintained that his greatest pleasure had been

riding in his pram. "The motion is agreeable, the range of vision extensive and one has always before one's eye the rewarding spectacle f a grown-np maintaining prolonged physical exercise.

Pocket psychoanalysts may draw their own conclu ions.

His other even more end aring view was that if a moustache is worth growing at all it should be easily visible from the back.

To be taken with a pinch of Salt

WHEN Henry Stephens Shakespear Salt, the subject of this anthology, died in Brigh-ton in 1939, at the age of 88, be had himself written the address for his funeral. In this, he announced "I shall die, as I have lived, a rationalist, social-ist, pacifist and humanitarian." His friend Bernard Shaw might have made the same claim. What differentiated the two men was not their beliefs but the degrees of eloquence, guile and therefore effectiveness with which they fought for

them. Unlike Shaw, Salt was born to privilege. Educated at Eton. went on to Cambridge, which he found sadly lacking in con-cern for what he called "the higher social ethics." He returned to Eton to teach and to wed the Lower Master's daughter - with unfortunate results since, a leshian, she maintained a life-long refusal to consummate the marriage. Many people believed that, such was his high-mindedness, Salt remained a virgin until, at the age of 75, his wife by now dead, he contracted a second marriage with his 35-year-old

housekeeper.

Having decided that his fellow beaks were both cannibals and exploiters of the working class. Sait announced to the headmaster. Dr Warre, that he wished to quit Eton, "It's the Vegetarianism," Dr Warre gravely concluded. No. Socialism must take its share of the blame, Salt replied. Dr Warre was appalled, "Socialism! Then

THE SAVOUR OF SALT: A HENRY SALT ANTHOLOGY edited by George Hendrick and Willene Hendrick

Centaur Press, Fontwell, Sussex BN 18 0TA, £12.95, 204 pages

blow us np, hlow us up! There's nothing left for it but that!" Sait, however, was far too gentle a man to hlow up anyone even verbally.
In The Heort of Socialism
Salt confesses to being one of

for years on an unearned or partly unearned income"; so presumably, through the fortunate chance of being descended from the well-to-do Allnatts of Shrewsbury, this man who so often inveighed against a ren-tier class, was a rentier himself. Although no doubt usefully, he cannot have been gainfully employed in editing The Humane Review and The Humanium is simultaneously for a number of year; and though the Hendricks in their introduction write of "a steady stream of essays, books and poems urging reforms", that stream cannot often have been

swollen with cash. Salt can be touchingly unworldly, as in his belief that injustice. One also sometimes smiles at the sententious grava view - as when he writes: "The Humanitarian League

always looked with disfavour on the expression dumb ani-mals, because, to begin with animals are not dumb, and secondly, nothing more surely tends to their depreciation than thus to attribute to them an unreal deficiency or imperfection." fection.

But it is impossible not to admire Salt as plucky leader of an often derided or bull-eyed minority which, in many instances, has now been trans-formed into a majority. Hunt-ing; corporal punishment; capipunishment; vivisection; the spoliation of the country-side; what he quaintly called trimming of hsts with the feathers of rare birds: he was a pioneer in protest against all

these things.
"Salt as a Man of Letters" (the title of one section of this antbology) writes well about Shelley and Thoreau, authors with whom he felt a particular affinity; reminisces amusingly about Shaw and two former and Hornby; and produces some sharp satirical verse, of which the following quatrain still remains apposite: So, hey! for England's glori-

Free sellin' and free huyin'. Free libraries; free pews; free-

And a free ditch - to die in! It is easy to see why Shaw beld a man so unlike himself in so much affection and

Francis King

Championing Machiavelli

The last of the great chancellors of Florence - Niccolò

cunning, and satanic ruthlessness in the pursuit of power; how does he still inspire such

Perhaps one reason is that Machiavelli's most influential admirer this century has undoubtedly been Benito Mussolini, who enthused about "the impact of direct contact between his teaching and my actual life". The facts of his life are basically these Machiavelli first came to prominence in 1498 as the Florentine Repub-lic's Second Chancellor, a position which required numerous diplomatic missions, including

two to Cesare Borgia, with whose capacity for strategic cruelty he was impressed.

When the Medicis returned to power, Machiavelli was imprisoned and tortured on a conspiracy charge, then banished into provincial exile, in which condition he concen-trated on writing and nursing largely unrealised hopes for a return to the political stage. The works for which he is best known are the stage comedy Mandragola, and political works: The Art of War, the Discourses (a commentary on Livy) and most famously The Prince, a work concerned with the harsh realities of power, and coolly unconcerned with

its attendant ethical questions. However, the rehabilitation of Machiavelli as a moral and political philosopher of broader sympathies has been under way for quite some time and it is Sebastian de Grazia's apparent intention to contribute to this process. To this end, his strange new book Machiavelli in Hell attempts to combine biography, intellectual history, literary criticism and what I can only describe as a kind of ludic, free-associative essay form. The result is a bit of a

> make it out, is as follows: Mussolini and other hot-heads have got Machiavelli wrong, his is a

THE NAME of Niccolo Machiavelli has long been synonymous with devious political by J. Sebastian de Grazia Harvester Wheatsheaf £25.00, 497

> "comparative and syncretic outlook"; he has a strong moral sense in which an indi-vidual act of evil is justified if it serves the state, and God favours the state as it maintains the common good.

God would permit a man to sacrifice his immortal soul

have (with some difficulty) dis-tilled from De Grazia's prolix verbiage. As a historian of ideas, his methodology seems to consist in isolating various themes — say "love", or "fortune" — and finding references to them from anywhere to Machiguelli's wark recording Machiavelli's work, regardless of the fact that there are profound generic difficulties involved in comparing quota-tions from published work with private letters, or what Machiavelli says in his own pressure with the utterance of nerson with the utterance of a fictive stage persona. This approach reduces the formal variety of Machiavelli's writings to an homogeneous, meaningless equivalence

Peter Bradshaw

A sniff of the very armpit of Africa

J.D.F. Jones on an ordinary view of Cameroon

HE PORTUGUESE were the first Europe ans to get to the arm-pit of the West African coast; they found an estuary swarming with prawns and so called it Rio dos Camaroes. Successive colonial powers changed it to Camerones Cameroons, Kamerun and Cameroun. Today it is Came-Cameroun. Today it is Cameroun: not well-known, not on the tourist circuit, not unsuccessful by Africa's standards, and Dervia Murphy's reasons for turning up there are never very clear. She had just finished her book on British race relations; she probably wanted to get back to her trade of travelling in an unconventional elling in an unconventional way in the world's more back-ward regions.

Ms Murphy's success is a bit

puzzbing. As travel writers go, she verges on the pedestrian, although often preferring the bicycle. She stands aside from Theroux, Chatwin, Thuhron, Jan Morris, etc., because she is so matter-of-fact. She only rarely attempts a purple pas-sage. She writes about how it was, for her, as an apparently ordinary person. There's the clue: we respond, surely, because this is how we like to

CAMEROON WITH EGBERT by Dervla Murphy John Murray £14.95, 282 pages

think we might behave if we were daft enough to take our teenage daughter off to an obscure country with a filthy climate and unspeakable food and buy a pack-horse and wander around with no evident end in view.

This was her first time in

end in view.

This was her first time in Black Africa, she claims, because she excludes her previous ventures to Ethiopia and Madagascar. The trip, as she tells it — day by day and without ornament — seems to have been interesting rather than dramatic. Her experience as a traveller frequently gives her a sense of proportion: "I have seen slightly higger cock-roaches in Ecuador and Madagascar, hut nowhere have I gascar, but nowhere have I seen more lively cockroaches." Everyone thought she was a man, so she got used to expos-ing her chest to demonstrate the mother-daughter relation-ship. You have to keep remind-ing yourself that this must have been a journey which

would have had most of us scurrying back to the local Hil-ton before you could say fufu. She liked the Cameroonians, who, almost without exception, emerge as a lovely people. I liked the Eng Lit student she meets in the bush, whose favourite author is Jans Austen: "Her books are not complicated. They are about village people, so if you come from a village you understand them though English villages are rich and ours are poor.

nich and ours are poor.

Beyond the tale of the journey, there is a good deal of common sense sometimes touching on wisdom. She is interesting about such things as the significance of the tsetse fly in African history, the importance of land ownership in a peasant society the deficiencies of Africa's red soil. She selves on the essentially she seizes on the essentially unchanged nature of African society through and since colonialism. And she is willing to tackle difficult matters such as the African concept of time, or the persistence of pre-literate attitudes in Africans, as development.
Egbert is the Hero

beloved Horse. . . .

Fiction

Married folk who cheat

KAFKA AND Joyce Garol Oates are two very different kinds of authors, but there is a definite hint of the former in the latter's latest offering, American Appetites. It is con-structed around a murder trial in which an innocent man is accused of killing his wife, and the vital witness has unac-

countably disappeared.
Ian McCullough is the one
on trial A former Harvard professor, he now edits a political journal in New York and is happily married to Glynnis, whose forthcoming cookbook bears the same title as Oates's novel. They live in an affluent suburb on the Hudson and have many friends, among whom they number the young and slightly weird Sigrid Hunt. So weird is Sigrid that she

not only taught modern dance at Vassar, but rings up Ian dis-traught one day and insists that he comes to see her, even and they hardly know each other. In the book's only unconvincing scene, Ian drives to her apartment, talks her out of suicide, and gives her a cheque for \$1,000 to pay for an abortion. Then he goes home and unaccountably forgets to say anything about it to his

wife.

She finds out though, jumps to the wrong conclusion, and provokes an almighty row. Drunk and angry, she taunts the faithful Ian with a list of the faithful Ian with a list of her own lovers — friends of his, described to him but not identified — before crashing through a plate-glass window and falling into a coma from which she dies without recovering consciousness. Her death is clearly a misadventure, but will the police see it that way? Not on the Hudson, they won't. Gradually, painstakwon't. Gradually, painstak-ingly, they build up their own version of events. Ian and Glynnis were baving a row, the neighbours heard voices. Ian has given Sigrid money, the police have been through his records. Signid has disappeared and may be dead too, for all anyone knows. The evidence against Ian is strong enough for a prima facie case, and ha is duly brought to trial on a charm of consult delivers. charge of second degree mur**AMERICAN APPETITES** by Joyce Carol Oates Macmillan £12.95, 340 pages

by Steven Corbin Simon & Schuster £12.95, 444 pages JOURNEY THROUGH THE WILDERNESS

NO EASY PLACE TO BE

by Moris Farhi Macmillan £12.95, 486 pages His friends all raily round. the friends all raily round, give him their support. But are they his friends? Were they all sleeping with Glynnis hehind his back? Or was Glynnis lying to him to even the score? land is fortuned by the possibilities, so much so that he even considers pleaffor mility to the rounders.

pleading guilty to the murder charge, rather than waste time on a trial that seems comparatively unimportant, now that He is dissuaded of course, and a verdict is delivered. It means little to lan, one way or

another, and perhaps also to Joyce Carol Oates, for her subect here is the mores of affluent America, as much as the criminal process. She tells an absorbing tale, marred only by the fact that it has been padded to almost twice its natural length — a falling for which one suspects publishing pressures may well have been responsible.

No Easy Place To Be, an experiment first powel by Steeper

engaging first novel by Steven Corbin, tells of a less affluent America, as seen through the eyes of three black sisters in the Harlem of the 1920s. One is a nurse and radical activist one a budding novelist, and one a chorus girl at the Cotton Club with ambitions above her station. All attempt to fight their way out of the ghetto, with varying degrees of suc-

Perhaps the saddest story Perhaps the saddest story belongs to light-skinned Louise, she of the Cotton Club. A rich lizalian immigrant falls deeply in love with her, and she with him. Believing her to be of Italian origin, he marries against the wishes of his parents and street her start and


haviny apartments, and black servants to command. For a white they are deliriously happy. Then Louise becomes

- The child is perfectly acceptable when it is born. Only later, after the father has learned to love it, does its skin kly. The father refuses to accept the truth, accuses his wife of having a lover. He attempts suicide, she packs her bags and goes back to Harlem, to the family she has not been able to see for years. The story is most movingly told, without being in the slightest bit senti-mental. The author is clearly poised for a sequel, and very good luck to him.

Moris Farhi's Journey Through the Wilderness is a monumental novel about a fictitious (though real enough) South American country, as seen through the eyes of a Jewish art restorer on the trail of the Nazi who killed his father. Also involved are sundry American priests and journalists, a fascist general, a female singer, and a peasant girl who is convinced she is to be the bride of Manku Yupanqui, the Incas' mythical messiah. It's a rich book, wrapped in a certain amount of pretension, but with plenty going on to feed the imagination. The only scrious criticism is that it has a tendency to meander so that one is not always sure if the author knows exactly where it is

3.5

Summer Crime

THE ADVENTURES of Mark Holland (the ex-secret agent, now a legitimate artists' agent) follow a formula that is becoming less interesting as it appears more and more obvious. Regularly, Holland encounters someone from his murky past, is forced to sus-pect one of his artists, encoun-ters an attractive but slightly suspect girl (with whom he has a fair amount of explicitly described sex), then solves the mystery.

This routine plot is played

out against a specific back-ground, the international world of classic music. In Deadly Crescendo, the central event is a recording of Tosca being made in Geneva. As usual, the details of this background are abundant and convincing (only a couple of tiny mistakes in Italian); but the story itself seems perfunctory, and - pechaps this is the basic difficulty - Mark Holland is simply not very likeable or

In pouring rain, as Andrew

DEADLY CRESCENDO by Paul Myers Constable £11.95, 140 pages

THE BOOK OF THE DEAD by Robert Richardson Golianez £10.95, 192 pages

DEATH OF A SALESPERSON by Robert Barnard Collins £10.95, 200 pages

Mattravers is driving through Cumbria to visit friends, his car breaks down, and he asks some strangers for help. In this way, in The Book of the Dead, he stumbles into a curious, tineasy household, which he gets to know better, as his friends take him back there to a dimensional parts. a dinner party.

Soon, the host is murdered and Augustus - not for the first time - finds himself obliged to investigate the crime. As always in his adventures there is a literary aspect: an unpublished manuscript by A Conan Doyle (the text seems a bit suspicious; would Sir Arthur have referred to some one as "working out of Ham-burg?"). In any case, Sheriock Holmes's adventure inspires Augustus and adds an extra fillip to this appealing neatly-

fashioned tale.

In his collection of stories, Death of a Salesperson, Robert Barnard displays the same wit and invention that distinctions his full length rusple. and invention that distinguishes his full-length novels. Even in the briefest of these tales, he entertains through his sharp (though not unmerciful) eye for character, for quirks and foibles, little failings of snobhishness or vanity. These post scripta to the author's larger works are equally to be savoured and cherished.

William Weaver

NEXT WEEK: ZARA STEINER on books about the Second World War

Daughter of destiny WITH hindsight it is hard to see how Indim Gandhi was so DAUGHTER: LETTERS BETWEEN INDIRA GANDHI AND JAWARHARLAL

misunderstood. After all, sho had the longest and best political apprenticeship possible under the tutelage of her father Jawarharial Nehru. India's first prime minister. Nehru and Mohandas Karamcland (the Mahatma) Gandhi - no relation to the Nehru family - did more than anyone else to wrest India's freedom from the British Raj.

This volume covers the early cears of the unique tiution for leadership. At all times it was a very fateuse loving relationship. Sonia Gandhi includes letters right from the very ear-liest, the full text of the first to her father at the age of six and a half, through to comments on the outbreak of the second world war.

Here are recorded the comings and goings of almost all the great and good of Indian politics from Nehru himself. Gandhi, Subhas Chandra Bose, J B Kripalani, Khan Abdul Ghaffar Khan, Mohamed Ati Jinnah, Rahindranath Tagore, men who (for the most part) were giants, leagues ahead of the party bosses who later dared to think they could manipulate Indira Gandhi.

From Nehru himself there are some beautiful touches that make you warm to the man's sensitivities and appreciNEHRU 1922-1939

edited by Sonia Gandhi Hodder & Stoughton £25.00, 483 Pages ate his well-rounded personal-

ity. He rejoices in being impris-oned in a tent under the stars rather than inside the jail and recounts the dreams the stars inspire. He denigrates his own "What is far more important is to do something that is worthwhile and that does good

to the larger society in which we live. I dislike intensely my own profession, that of a law-yer. I call it an unsocial profession, for society does not profit hy it. It makes people selfish and just clever enough to exploit others."

He praises Patrick Geddes: "He was a great educator and instead of the three Rs. he used to lay great stress on the three Hs - Heart, hand head." He takes great pleasure in being greeted on the North West Frontier with "Starry mashey" - "It means 'May you not get tired'. How suitable it is, not only for travellers on the road but for all pilgrims through

Congressmen came to misun-derstand Indira Gandhi. She kept her true feelings to her-self. Sonia Gandhi says in her-introduction: "Indira Candhi's shyness and sensitivity made her express herself more freely on paper than in person."

Even so, there were many times when I longed for more meat and substance in Indira Gandhi's letters. It is true that there are some touching scenes, such as her 1932 description of Gandhi's fastidiousness in breaking his fast. But the teenage Indira Nehru is more concerned with superficial chit-chat and comings and going than with telling her father her deepest thoughts let alone dreams, all of which remain hidden inside herself. And until she went to Oxford in 1937 (aged nearly 20) she rarely ventures a political opin-

Where is the young girl who was supposed to have hurned her favourite Western doll because she was devoted to the anti-colonialist cause? What are her feelings about the cause that Bapu (Gandhi) and Papu were fighting for? What did she think of her long sepa-rations from her father because he was imprisoned and only allowed to write once

His thesis, as far as I can Kevin Rafferty

Does Machiavelli mean that

with such an act? No, de Gra-zia concludes, citing Machiavelli's commentaries on the political excesses of Trajan, David, and the Apostle Peter who were all ultimately saved. So what we might see as Machiavelli's satanic bravado simply comes down to his lova-bly irreverent anti-clericalism. This is the conclusion that I

In the past, the septuagenarian Professor De Grazia has written eclectically and engag-ingly on many learned sub-jects, but I fear this monograph will prove an eccentric coda to his distinguished scholarly career, rather than its crowning achievement.

A blessing – then off to Tibet

Rebecca Stephens reports on the bid to scale the unclimbed north-east ridge of Everest

ATHMANDU: After frantic months of france months of fund-raising, shopping and last minute packing, we arrived hare a week ago tired and jet-lagged - at Nepal's capital in the foothills of the Himalaya. the foothills of the Himalaya. Together with seven hardened climbers from Seatile, Britons Roger Mear and Paul Rose have come to tackle the only remaining unclimbed ridge on the highest of all the Himalayan peaks: the north-east ridge of Mount Everest.

It is the toughest, longest

of Mount Everest.

It is the toughest, longest route of all. Attempted six times in the past seven years but never conquered, it remains the last challenge on the manufalls. First though the mountain. First, though, there is food to buy and more equipment. We have visus to sort out and Customs to clear in preparation for our journey to base camp at 17,000 ft in the

The 10 of us discussed strategy over local Iceberg beer and vegetable and chicken pakoras. "It is crucial," said the men, "to lay down fat for the mountain." Lorne Riddle, our 211/4etone base camp manager, promptly ordered another plateful. All heads together, we compiled a shopping list: fry-ing pans, pots and stoves and hurricane lamps for base camp; picks, pickets, spare crampons, fixed rope, and — most important - high-calorie cashewe and chocolate, tasty snacks to keep us going at altitude.
It is raining, indeed, it hasn't

stopped since we arrived. This is the tail-end of the monsoon and the sky is black, the air cool, and tourists (for the most part) kept at bay. We planned it this way so that, with luck, by the time we reach the mountain the odds on a heavy snowfall will be negligible. For now, though, we have been hopping, umbrellas in hand, through the muddy, puddled It seems every other store sells sleeping bags, boots and cram-

ond-hand and salvaged from expeditions before us.
Our 37-year-old expedition leader, Garry Speer, is in his element in faded jeans and head-band. The locals pounced on him in seconds: "Change money?" they cried, "Hashish? Opium? Want to buy a baby?" The smell of joss-sticks and Western pop fills the streets.
Four rupees (about 8p) was enough to hire a bicycle for an hour. In the afternoon, we cycled past the royal palace and through market squares to our agent in Kathmandu, Rover Treks. Half an hour's

Rover Treks. Half an hour's chat and it became quite clear that our planned brief stay in town would baya to be extended by a week or more. Not only had our shipment from London been delayed but the Chinese authorities were

now insisting we re-apply for visas. A "group visa" was what

they required. Our visas, obtained independently and painstakingly in London and the United States, had been blotted irreversibly from our in Kathmandu, you cannot

afford to be complacent about health. Three of our team have fallen victim to tunning bugs already. Wary now, I am boycotting meat and popping pflis as if they are going out of fashion. But our head sberpa, Chhwang (we have four Sherpas plus ou two cooks to accompany us on the trip) is more pany us on the trip), is more concerned about our well-being on the mountain. He insisted we be blessed by a Tibetan Buddhist lama.

The following day, he led us to the monastery. Inside, the light was dim, the air thick-with the smell of butter-lamps and heavy, sweet-smelling incense. Surrounded by gided Buddhas, mysterious in the flickering light, each of us took a sip of holy water.

At 10 am precisely the following day — not a moment sooner— we all were adorned with a believe a delivery and the sooner.

with s rhunga, a folded prayer to protect us which, wrapped in muslin, we will wear around our necks until we return, safe and sound, from Everest (or, in Tibetan, Chomolingma, "goddess mether of the reald")

dess mother of the world").
Who can say if protection from the gods will be enough?
The success of the expedition depends so much on luck, good weather and, most of all, the strength and maturity of the

of the 10 of us, only seven will make a serious hid for the summit. Two are just young-stars: Kurt Fickelson is 25 and Markus Hutnak 23. But the two Britons and two Americans -

in their late 30s: experienced, fit, and at their peak in moun-taineering. Dick Walker the doctor, is the oldest of the team at 41.
The route these men will

attempt is four miles long, risanienor is four miles long, ris-ing 9,000 ft over huge, soaring cornices and rocky pinnacles to the summit at 29,028ft. As Speer says: "That's one hell of a way to go at high altitude." On a good day, he gives the team a 50/50 chance of success. We are about to load the truck and drive north across the Tibetan border to our base camp on the Rongbuk glacier. There, we will acclimatise and

The British climbers on the Everest Final Challenge Expedi-tion are sponsored by E. D and F. Man International. British Alcan Aluminium and Thai

hope the sun shines on the



Onward and upward: Rebecca Stephens, Paul Rose and Roger Mear check equipment in preparation for the big adventure

Where Jew and Arab find friendship

the purchase of a car in Israel by a foreign resident with an account of an obscare but curi-ous place called Taba — for no other reason except that, in order to do one, I ended up

going to the other. The story begins in the Jerusalem apartment of David Israeli, a warm-hearted, observant Jew of tireless energy. This quality he needs in abundance because he makes his living from guiding those such as me through the Byzantine complexities I mentioned. The trick is to avoid the huge mounts of duty local residents have to pay on cars. All I wanted to do was buy my predecastor's previously imported car (the regulations prevented me from simply taking it over

from him). "You cannot buy Andrew's car here in Israel without pay-ing all the tax on it. That'e 148 per cent of its current value. Look, look, It's here in this book . . . 148 per cent."
Well, that did seem unrea

sonable. What else could I do?
"What you have to do is this. I take the car to Haife, put it on a ship to Cyprus. There, Andrew sells it to you. Then, we re-import it in your name and the car is yours. Beautiful. I can do this for you for about \$300."

Around \$800 just to take over a three-year-old, somewhat bat-

What was your best find? How do I reply?
Do I explain again about the grand architecture of the 1300 BC hig building we have been digging at Maroni in Cyprus? It excites me, but many people seem to prefer

many people seem to prefer objects of branty and value. So shall I mention the lovely purple and black juglets, offerings in what might have been a child's grave? Perhaps. But the best find of 1000 at Marchild's grave.

best find of 1969 at Maroni was

not what anybody expected, and is no thing of beauty. It is

HIS IS a story which combines an account of the Byzantine complexities surrounding there was another two years? Surely there was another way out of another two years? Surely there was another way out of

"Look," said Israeli, who talks on this subject like a gushing hydrant, you can do something else. Sell the car to an Israeli. We'll have to pay the tax but you can get somecar in the local market. As a tourist, you pay only 2 per cent duty if you buy a car within one month of arriving in the country. After two years, you can sell it to whom you like.

But I'm not a tourist and I'd been in the country nearly three months. Doesn't matter. They count you as a tourist. Just go to Taba for one day, get a new stamp in your pass-port and everything will be beautiful."

Taba. Mention the name on the FT's foreign desk and eyes glaze while computer terminals mean softly. The place is a footnote in the small print of Israel'e peace treaty with Egypt which excites greatly the relevant departments of the two countries' foreign ministries but has a Mogadon-effect on news editors.

Yet, something quite unusual has been going on there – besides it being a con-venient place for foreign buyers of cars in largel to acquire a quick exit and entry mark in their passports.

Taba is a hot, hilly patch of

than single letters, which count as potmarks rather than

proper texts, which is what our

as the acript has not yet been

deciphered. Indeed, until that

happens, we do not even know whether this script holds one

or several languages. Every new find like our jar increases

the probability that it will be

deciphered some day, when I

expect it will turn out to be

It is a guess what the text might say. As it was inscribed before firing, it might be the

just one language.

We can identify the signs in

new find is.



waterless land tucked between the Sinal desert and the Gulf of Agaba a few miles down the coast from the Israeli resort of Ellat. When Israel handed back the Sinai to Egypt under the Camp David accords, Taba remained in Israeli bands. A bearded type named Rafi Nelson established a rough and ready pub on the beach; later, Sonesta, the Israeli boliday group, was permitted to build a swish hotel the other side of the same little headland. Taba became a popular extension of

Ellat.

Egypt, however, never accepted this de facto annexation. It kept after the laraelis doggedly to give back Taba.

Eventually, Cairo won. On March 15 this year, Taba reverted to Egypt and a border post went up on the road to Ellat.

The effect on Taba - or, rather, on Sonesta and Rati Nelson's pub - was dramatic. Bookings at the hotel sank as Israelis were put off either by

the bassle of crossing the border, the prospect of venturing into Arab territory, or both. Those who do still make the trip encounter a rare mix of Arab and Jew. Sonesta is now owned — as is Rafi Nelson's pub — by the Egyptian government via Egypt Air and other

state-ran institutions.
Recently, the Hitton group
took over managing the hotel.
The stati, previously all Israeli apart from some Palestinians, are now mostly Egyptian. The Israelis may all leave eventu-ally but, while they remain, the mixed staff rub along pretty well, a little to the sur-

prise of most of them. "We fight more among our-selves than with each other," said an Egyptian waiter, with a

I found evidence of this cooperation in the nightclub. With so few guests about, it was almost deserted, bar ma, my Glenfiddich and a handful of staff. The hotel's Israeli chef, an incongruous figure alone on the dance floor, swayed to records spun by the Egyptian disc jockey. The Israeli wait-ress joked with the Egyptian barman. The nightcinb manager - a Jew from Montreal got me another whisky and spoke of a weekend recently

in from Israel You should have seen them Israelis and Egyptians — dancing until five in the morning. It was fantastic. Some of them were crying."

when a decent-sized crowd was

Because of dismal bookings - occupancy was as low as 7 per cent some weekday nights recently, bad even for the off-season — such happenings were not to be seen during my stay when the majority of guests were Egyptian or Jorda-nian. The hotel is a long road trip from Cairo, and thus has a hard time altracting anyone at

The pity of it is that its future must be in doubt. The israeli staff is leaving slowly for better-paid jobs back home. The hotel bas lost its kosher certificate (though it still runs its kitchen on a kosher basis) and, with occupancy also slipping in Eilat, it could become harder, not easier, to draw

The best hope now of winning back its Israeli customers is if the Egyptians grant the hotel a licence to open a casino. Gambling is banned in Israel, but pirate casino boats operating just outside Israeli waters (until forced recently to stop by the authorities) proved there is a strong demand. Taba's future might literally depend on the throw of the

Back in Jerusalem, meanwhile, the Taba stamps in my passport duly did the trick. I went to pick up the new car. The salesman presented me with a largish cheque. It seems he'd overcharged me. Must have paid too much tax, I sup-

Hugh Carnegy

Archaeology

Jar with a tale to tell

plain jer. It had been standing on the floor in one of the rooms in the big Ashlar Building. Piaces from its upper body had fallen inside, and most of the neck and one handle are missing. It is not reconstructed yet, but it tions on jars are nothing more

was about 70 cm high, of plain fabric and pear-shaped. When it has been mended, I hope it will have a prominent spot in the Larnace Museum. What is special about this plain jar is that it has an inscription cut on its shoulder. We have found only seven signs so far — mending might produce more — and two word dividers (vertical bars that have the function of a blank

space in writing today). It would not be much to get excited about, or to spend many man-hours taking it out of the earth with untiring care after consolidating its fragile clay with chemicals, were it not that Brown Ace inserinnot that Bronze Age inscrip-

name of the potter. Or it might say what the jar held, perhaps clive oil from the press in a nearby room. Or how much it held, which we shall try to estitions in Cyprus are extremely Only a handful of inscribed clay tablets are known along with some inscribed clay cylinders, or bobbins. Most inscripmate when it is mended.

It might even - bave the ancient name of our site, which would be a treat to know. (The modern village name of Maroni probably reflects Maronites coming from Lebanon in fairly recent the text but we cannot read it

> This yeer was the sixth season of digging the large building with the support, as in ear-lier years, of the Financial Times, the Leventis Foundation, the British School at Athens, and private donors. By the end, we had removed all we could of the metre-wide baulks of earth we leave between trenches for our final checks, and the big (80 x 20.5

metre) Ashlar Building stood in its glory as it had not done for centuries.
Built around 1300 BC, the

dressing of its limestone ashlar masonry is superb, and its gleaming white mud brick walls are up to two metres thick. It controlled the valley of the Maroni river in southeast Cyprus and, in particular, its food production and copper

The olive press in a room near the inscribed jar is one of the oldest — if not the oldest in Cyprus and there are plenty of remains of furnaces, ingots and scrap to show copper and bronze working. Copper was Cyprus's principal export in

the Bronze Age.

The building lasted barely
100 years until it was abandoned. Society, the economy and politics must have

changed for it no longer to be needed. But we do not know what the changes were, except that other centres in south-east Cyprus continued to prosper.

What we can try to find out is why this monumental building was put up at our site, with a massive mont of labour and.

a massive mont of labour and, undoubtedly, designed to indonbtedly, designed to impress.

This year's digging has produced several clues. On the last day of the season we found a deep pit, made carefully, suggesting an important earlier building underneath. It was lined with plaster which means it held liquid, mensally water

it held liquid, probably water, but it could have been clive oil We also found many copper working fragments in levels predating the Ashlar Building. This could mean that it had a role already as a centre of the metal business — which would have been a good reason for authorising such a grand edifice at Maroni. The copper would have come from the tainly not enough to buy a boat. Few took it seriously. Kalavasos mine in the foothills of the Troodos range in the next valley to the west.

In 1990 and 1991, we shall have study sessions to take stock of our research and prepare a report for publication. After that, with a honed know-ledge of the real problems of the archaeology of Maroni, we the French government). can return to dig in 1992, and perhaps 1993, to find more of bow Warrior set sail from Lonthat important earlier huilding

which we have exposed.



Detectives who track the animal-killers

Peter Knight meets an undercover group that is dedicated to protecting endangered species

HEN cameraman Clive Lonsdale himself sweating pro-fusely in a cardboard box 20 ft above ground on a fully-ex-tended forklift truck near Dubai, he felt terrified but strangely elated. After weeks of risk and sobterfuge, he was about to film crucial evidence that would contribute to a European Community ban on the ivory trade.

Sharing the box in a temperature around 115 degrees F. was a colleague, professional photographer Dave Currey, Below, explaining the ecceu-tric behaviour of his crew to a suspicious factory manager, was Allan Thornton. His assurances were plausible and

well-rebearsed from years of operating undercover. Thornton, Currey and Lons-dale's wife, Jennifer, run the Environmental Investigation Agency (EIA), a small, Lon-don-based group that has, through daring investigations, revealed some of the greater iniquities perpetrated against wild animals.

trip, Thornton and EIA colleagues had exposed Turkey for catching rare dolphins to use as chicken food; shown how the Faroe islanders slanghter pilot whales, bru-tally and needlessly; uncovered damning evidence on the trade in wild birds; and belped to reduce the number of minke

whales killed by Norway. Now, they were in the Jebel Ali free-trade zone outside Dubai to save elephants. Loudsdale and Currey were high up in the box with their camera under the pretext of filming a Black & Decker warehouse for a programme on trade in the United Arab

Emirates.
It was the only way to get shots of the adjacent MK Jewellery factory that carved posched ivory illegally before shipping it to markets in the Bast. That factory alone was responsible for the death of at least 100,000 elephants," says

The film appeared finally on an ITN news bulletin in Britain, and MK Jewellery and other similar factories were closed down. But, more impor-tant, EIA's information on the poached ivory trade fuelled a global campaign that led to British Prime Minister Margaret Thatcher condemning the trade in the House of Commons, and a US and European ban on new ivory products. EIA was started in 1984

because Thornton and his col-leagues thought too little was being done to prevent the imminent extinction of many wild animals. He is a tall, softly-spoken 39-year-old who left his native Canada in 1976 for Britain to help establish the first Greenpeace office outside Canada. At that time, Greenpeace was small and obscure. He and his colleagues, occupying a grimy garret off Trafalgar Square in central London, planned to buy a ship and set off to confront Icelandic whalers. (This was shortly after the UK had lost the Cod War with Iceland). Greenpeace had very little money, cer-

But by May 1978 it had acquired a trawler, painted it green with a rainbow on its bridge - and named it the Rainbow Warrior. (Years later, the ship achieved almost as much fame ss the Titanic when it was sunk in a New Zealand harbour by agents of In 1978, though, the Rain-

don for Iceiand, ignored iargely by the media which thought the whole thing was a Gerald Cadogan | joke. "We tried to get the media to meet the boat when she got to Scotland, but I remember a Sunday Times journalist refused to go because he thought the Rainbow Wnrrior would never make it. I wonder if he sees the irony now," says Thorn-

It was the sheer impossibility of the job that brought out Thornton's entrepreneurial skills. This, and every subse-quent adventure, has been managed by the seat of his pants. His success is due pants. Als success is due largely to his leadership qualities and the respect be gets from his colleaguas. Like many entrepreneurs, be is well-known for leaving the finer detail to others. Thornton left Greenpeace to

PLANET EARTH

When you find that a species is being driven to extinction by a frivolous trade, then you have to do something

freelance in 1982, and his first job was to stop the Turkish dolphin hunts. He had heard bow the Turks caught rare Black Sea dolphins and pro-cessed the carcasses into chicken food.

about it'

Nobody was doing anything about the slanghter, so he some money from a sympathetic British group and flew to Turkey with a photographer. They talked their way into the factory, took shocking photographs of piles of dolphin carracted were arrected. phin carcasses, were arrested briefly but then managed to

Their photographs appeared across the world and governments complained. After 36 US senators wrote to the Turkish

ambassador, the factory was closed and the hunt stopped.

Buoyed by his success, he set off to hamper one of the last commercial whale hunts, off the north Norwegian coast.
This mission, similar to the
Icelandic campaign, needed a
boat and lots of money. He toured the conservation

groups in the US and scrounged enough to huy a boat which he renamed the Balaenoptra and, with Currey and Lousdale, set sail from Tower Bridge, London, for the Barents Sea. The Balaenoptra's presence focused attention on the hunt, and the International Whaling Commission cnt Norway's quota by twothirds.

Thornton, Currey and Jenni-fer Lonsdale - an ex-Greeupeace director in the US - set np EIA because, in Thornton's words: "There was a need for people to go undercover and find out the trath about certain activities, such as the ivory trade. Our group now knows more about the trade in poached ivory than anyone

else. "When we were setting out,

we approached some big con-servation groups for funding. One said: 'You don't know what you're doing and all you'll do is mess things up for us'." But Thornton got the money, much of it from the US-based Aoimal Welfare Institute run by the redoubt-able Christine Stevens.

The task was to trace the routes taken by poached ivory from the sources in Africa to its markets, mainly in the Far East. The total campaign, which is still running, cost EIA about £130,000.

The KIA team, which works for very little in a three-roomed office in Islington, north London, is an example of a new, tougher strain of conservationist. Members are a mixture of Sam Spade investigators and Indiana Jones adventurers, driven to perform daring deeds by man's over-ex-

ploitation of animals. "When you find that a species is being driven to extinction by a frivolous trade, you've got to do something about it," says Thornton. EIA honed its investigative

skills with two campaigns before its success in exposing the ivory trade. The first was to try to stop the yearly slanghter of pilot whales in the isolated Faroe Islands, which lie north of Shetland and are a Danish protectorate. The Faroese are descended from the Vikings. They are a proud, seafaring people who have grown rich from their fertile fishing grounds in the North Sea. But they still practise an old custom of slanghtering the relatively small pilot whales that migrate in

The whales are herded into shallow bays by fishing boats and then massacred by knife-wielding men in the shallows. Meat and blubber are distributed to families who eat it as a

traditional dish.

When the islanders were poor and under-nourisbed, whales provided an important source of protein and vitamins. Now, though, the hunt is an anachronism treated by most as a sport and much of the meat is left to rot. EIA's film of beautiful baye

turned red from the blood of thrashing whales in their death throes shocked many. An especially gruesome photograph (by Currey) of a small boy holding an unborn whale foctus drew protests from all over the world. But the Far-oese continue the yearly hunt. "We have not managed to

stop the slanghter yet because it's very expensive to keep a team in the Faroes and we just don't have the money," say Jennifer Lonsdale. "But we have helped to change the thinking of some of the people, and at least there are now some restrictions on the

An EIA team went to Sene-gal and The Gambia in 1986 to investigate the trade in wild birds such as African parrots, which are caoght by peasants, sold for a few pence tow hole-salers in Dakar and then airfreighted, often with no water and little air, to traders in Europe. It is estimated that eight of every 10 birds die during their long journey to a cage in the West

We intend to follow through our campaigns, providing hard facts and seeing that, in the case of the ele-phants, aid gets through to finance their preservation," says Thornton.

"Being undercover has hampered our opportunites to publicise our euccesses and we urgently need mouey to continne our work, especially with the elephants." Donations can be sent to EIA 208/209 Upper Street, London

'After a while, you can't feel the pain

Simon Vail continues his mountain-climbing exploits in Africa by tangling with the Old Hands — and scorpions — in Tanzania sheet and headed for my bare foot. I grabbed a boot and dis-patched the creature, hoping for OH approval. Nobody

surveyed the tangled mass of guy ropes and sagging canvas.
"Pitching a tent." ehe said, "should not be done like that." I mumbled that I hoped I

would improve.
"Furthermore," said the Old Hand, "we don't know exactly who you are or what you do. She flounced off and sank without trace into a very large gin. It was not a good begin-

ning.
I had joined a band of East African mountain walkers on their expeditioo to northern Tanzania. Fresh from England. my skin was a ghostly white beside the Old Hands' leathery hides. The expedition planned to walk up three little-known peaks: Gelai, at the south-east-ern end of Lake Natron; Lengai, a dormant volcano; and Hanang, a slab of a mountain due south of the better-known

Ngorongoro crater.
All three peaks lie in the floor of the Rift Valley, the 4,000-mile scar that cuts tbrough eastern Africa. The bottom of this giant's trough is hot and dusty, a cauldron of volcanic activity, brackish soda lakes and bubbling gey-

we bumped and rattled across miles and miles of empty Tanzanian plains in a convoy of thick dust that forced its way into every nook and cranny, past spindly thorn trees and sun-baked anthills. We found the miserable village of Gelai Lumbwa. It was a collection of huts, depressed people, mangy dogs, a shop, and the political office of Tan-

zania's ruling party. To avoid

lately, just like
Britain's. Only the other day,
some people in an old folks'
home became very ill and some

died after eating contaminated rice pudding. But there seems

to be no loud call for govern-

In the spring, I was invited to visit two Milk Marketing

Board creameries in Cheshire

and Shropshire. The summer

has taken me to the Touraine, so I called at the Syndicat d'Initiotive Ste-Maure and

asked them to show me a goat-keeper who made his own cheese. My aim was, as the

exam papers say, to compare

the Ste-Maure Syndicat d'Initiative, M. Bourgogne spends quite a lot of his time arrang-

ing goat visits, but he did me

proud. M. and Mme Roy keep about 70 goats of the Alpine

breed, sleek and dapper with

neat, pinkish-brown coats and

yellow eyes. I met them in

on a diet of lucerne.

1 also saw the milking shed

and the dairy where Mme Roy

produces the cheese. Like Dou-

hours, turning into cheese at 18 degrees C. The sloppy curds

then put into plastic

public to buy a selec-

tion of its wares at a wine

shop. This is a major departure

for a family best-known previ-

ously for its discretion, its

ownership of Chateau Petrus

and other major vineyards in Pomerol and Saint Emilion,

and its quasi-monopolistic grip on the finer wines traded tradi-

tionally through the lovely lit-

tle town of Libourne.
Appropriately, the retail out-

let is far, far removed from your average off-licence. It

does not pretend to compete even with its neighbour, Mag-

and competitively-priced range in a city under-equipped previ-

ously with opportunities to

buy fine wines. L'Intendant is something special.

Situated opposite Bordeaux's grandest building, the Grand

Theatre, and named after the

pre-revolutionary equivalent of today's Prefects. L'Intendant is housed in the shell of what

used to be an unpretentious

d where they

I imagine that, as director of

ment action.

RENCH newspapers have had their round of salmonella stories

difficulty, said Our Leader, we should camp away from the village. We nosed on up a dry river bed and made camp among a mass of loose rocks. Gelai lay slumped above us, a whale of a mountain swimming in a sea of rolling hills.

African mountains discourage the walker. Thick scrub and wait-a-bit thorn bush surround the lower slopes. Waita-bit thorn bushes have little curved hooks to catch the unwary, who wonder into them dazed by the furnace-like heat. One of the OHs carried a pair of rose-cutting secateurs for freeing the trapped. "They're just the job," he remarked. After a couple of thousand

grass with long sharp, blades that slice the legs. If the moun-tain is over 10,000 ft there is a sharp drop in temperature, thick forest, strangling creepers, slippery mud – and the chance of charging buffalo or lions. Gelai laid on all delights.

The OHs set off at a cracking pace at 5.30 am. An early start, I was told, meant you could make the summit before the mid-day heat and return to camp before dusk if you were lucky and didn't get lost. My natural pace left me at the rear of the party, along with the laggards.

We passed a settlement and asked for a guide. Nobody was interested. It was too cold up there, said the villagers. The

forest grew thicker and thicker. Our Leader lost his way. There was no path in the thick jungla. Giant, stinging nettles surrounded the final summit; they left a whip-like red rash. Our intrepid Leader strode off unflinchingly, bare-kneed and teeth clenched. "It's all right, chaps." he said gamely. "After a while, you can't feel the pain."

Approaching Lengal, which proved a disappointment because bad weather and cracks in the old tava flows prevented an ascent

Gelai had the last laugh. The summit was covered in such dense vegetation that the grand view we had all been promised was a few yards into thick undergrowth. We sloshed back down the hill in pouring

As I took down my tent, a Back at the camp, an omi-nous note from the ruling scorpion woke from a comfortable sleep under the ground

its last eruption was 20 years ago, covering the floor of the Rift in grey ash that scorched all life. Scrubby grace, hieached white by the sun, clings to the sterile soil. Lengai is a really serious mountain for climbing, said

the OHs, because there is no easy way up through the lava ridges and valleys, vary steep singes and valleys, vary steep slopes which cause vertigo. There is also intense heat and no water. But our early-morn-ing start was delayed by the completely unexpected: heavy rain and thick mist which cov-

turned a hair.

The road disintegrated into a

boulder-strewn track that

ruined suspensions and spines. Lengai rose from the floor of

the Rift, a brooding black hulk.

rain and thick mist which covered the lower slopes.

Wa were not able to drive the vehicles up the side of the volcano for fear of losing them in the hidden cracks and trenches that split the old lava flows. So we shandoned Lendoned Lend flows. So, we ahandoned Lengal and boulder-hopped up the river Engare Sero. This is a river that springs straight from the rock face of a gigantic natural emphishes in the wall. ural amphitheatre in the wall of the Rift. I have never seen anything quite like it.

The flamingoes and bird life of Lake Natron finished off that day before tea. We trod carefully on its shores, afraid of sinking into quicksand, the water of the lake a long way off. We returned to civilisation reaching the thriving market town of Mto wa Mbo. Our Leader disappeared into the Lengai / Hanang TANZANIA Dar es Salass

only garage to barter for fuel.
Wa stayed one night at a
rubbish-strewn, mosquito-infested official campsite by Lake Manyara, paying for the privi-lege in US dollars. A large flock of Overlanders in a bright yellow truck had a very noisy

yellow truck had a very horsy
evening. OHs spluttered into
bottles of beer.
Our last mountain, Hanang,
spread its huge girth across
the plains. According to the
OHs, Hanang is climbed but rarely. We scrambled through recently-hurnt forest and emerged at the lower summit covered in black soot. I dislodged several stones, which nearly hit the heads of OHs below me. They scowled. The summit is reached along a rolling ridge, more of a knife edge in places. The botanical

OH wielded his ice are and leapt on a plant growing in a crack of rock. He was pratty certain this was a new species of sloe. Remote mountain tops in the Rift often have their own unique ecology, he said. Our jolly accountant dis-turbed a Pentecostal minister who had gone to the top of Hanang's 11,000 ft as the one place he could fast and pray undisturbed for three days. He was singing hymns when we barged in. He refused water and biscuits and we left him with his Bible alone on the mountain behind a stone wall

That night, two of the expedition became romantically involved, which raised an eyebrow or two. Hanang resounded to uprogrious laug ter and Scruples. As midnight approached, the OHs downed cups of tea and stumbled off to bed. After checking for scorpi-ons, I crawled into my sleeping bag and went to sleep.

How to get there. All three mountains are off the regular tourist circuits: Even if they are visited, they rarely are climbed. But Lengai is now on the route of some Overland trucks, and there are specialist safari companies which will

take you.
If you venture independently, you need a reliable four-wheel drive vehicle with good clearance, essential spares, food, water and anough fuel to be self-con-tained. Hanang is reached from Arusha by driving through Makuyuni, Babati and Katesh and climbed from the west. Detailed and up-to-date maps of the region are scurce.

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C - 100 '

12.77

Food for Thought

before they are knocked out and rolled in a mixture of salt and powdered charcoal. Finally, as made cheese, they sit on shelves for a day or two. At this stage the cheese has almost no flavour at all, but now it begins its affinage. It goes into a colder room at 12 degrees C - in effect, a walk-in fridge. After about eight days, it is ready to go to market. Each cheese, along with its jacket of salt and charcoal, has developed a velvety blue-ish coating. Too soft to be termed a rind, it is called by the French la robe. The flavour is getting definitely cheesy and its aristocratic class is begin-

ning to show.

That's all there is to it. Although these little cylinders of cheese can be wrapped in paper with a posh green-andbe found in local weekly markets where they are displayed in open trays quite plainly. Any that is destined for Paris produces the cheese. Line bou-ble Gloucester it is made by mixing last night's milk with this morning's. This is run off into a row of ordinary plastic or for export is bought by dealers from these local markets first, like antiques. At this stage, each little cheese fetches about 16 francs, so the busibuckets where it sits for 24

ness is never cheap.
Strangely enough, Ste-Maure is one of the few goat cheeses moulds like tall, narrow beakers punched with holes. Here, accompanies it wherever it goes. In most French restau-

rants where there is a large cheese board, all the cows'-milk cheese will be identified by region — Camembert, Brie, St-Nectaire, Reblochon — but the goats' cheese is known sim-

Cheese makes itself, as Stone Age man must have discovered, but it is essential to have someone of sensitivity and



experience to watch over the process. Mme Roy has these qualities: so do the dozen or so cbeese-makers at the Express Dairy creamary. Handling, breaking and sniffing end-lessly, they give the lie to any notion that English cheese is

ers don't only do one thing, like Mme Roy. But they are working for a market that wants a different thing from its cheese and, accordingly, the process and time scale are

pieces we buy.

There are companies in France making supermarket cheese in what you might call industrial quantities. There are also British goat-keepers who make their own cheese, which they sell in small quantities

Maure what he thought of this development. "Ils n'ont pas l'habitude," he said. Since it is claimed that goats' cheese has claimed that goats' cheese has been made in Ste Maure since the days when Charles Martel dafeated the Saracens at Poitiers in 732, perhaps his time scale is rather long.

Small-scale farmhousa cheese makers in Britain are an emhattled crowd; their efforts are appreciated by a

party's local political officer summoned the expedition to

explain its activities. Our Leader proved a man of consid-

erabla charm and invention. Wa had not stopped at tha party political offica, he

explained, because the party flag had not been flying. All

the expedition - an accountant, a civil engineer, a profes-

sor, a diplomat and two univer-

sity lecturers - would, of course, be delighted to present

passports, sign the visitors' book and shake hands with the officer. Villagers gathered to watch the fun. We left hur-

ducers may be small by British standards, the whole enterprise is very large and meets the needs of a large market. Strangely enough, the cheese doesn't seem to vary very much The Syndical d'Initiative gave me a little promotional leaflet about the chee seeks to justify Ste-Maure's special reputation on grounds of the "light, chalky sub-soil of the region and the luminous climate of the valleys, particu-larly favourable to the produc-tion of cheese."

I expect the man who wrote that spends most of his time writing wine literature in simi-lar vein. Perhaps we should turn him loose on Shropshire's luminous climate.

Peter Lewis

For cheese, say goats

with a regional name that

Wine

A most discreet family



made entirely by machines.

A British creamery might make cheddar on Monday and Tuesday, then Sage Derby on Wednesday and Caerphilly on Thursday. So, its cheese-mak-

Milk is collected by tanker from farms in the neighbour-hood and has to be checked for fat content. Ste-Maure has a fat content of 45 per cent; but the goats seem to know what is expected of them in that regard and there is no call for day-to-day testing. The milk in a British-cream-

ery is pasteurised on arrival; the goats' milk in Ste-Maure not at all, ever. Because of the pasteurising (apart from anything else), the milk mass in Britain is warm, if not hot. In Ste-Maure, the effort is to keep everything cool. And because ist be hard, it is subjected to heavy pressure for a long time and emerges as a solid slab the size of a large briefcase which the supermarkets can slice up into the

through specialised shops. I asked M. Bourgogne in Ste-

efforts are appreciated by a modest market of enthusiasts buying from a small number of shops, many of them health food emporia of one kind or another. In most of the weekly village markets in the Touraine, there are stalls selling nothing but Ste-Maure goats' cheese; and it seems that nearly everybody who shops in the market takes a piece home. Although the individual pro-

Eating Out

When instant success takes years to achieve

THE ADAGE used to run that there were three reasons for a successful hotel or location, the second location and the third - location. The rise of the chef as

superstar has destroyed this; we are now prepared to travel to eat very well chez Michel Guerard, Paul Bocuse in France or si the Walnut Tree Ion in Abergavenny, But there is no doubt that for those cooking well outside London, instant" success can mean years rather than months.

David Adlard, now resident at Adlards, 79 Upper St Giles Street, Norwich (0603-633-522) number of years his restaurant was at Wymondham, 15 miles outside Norwich, in a converted 17th century butcher'e shop where the table legs rarely met the floor and the chairs were so uncomfortable that customers often brought their own

cushions.

His cooking was good enough to attract a loyal. clientele but it just did't pay. And when ambition — he is ex-Connaught and the Carved Angel in Dartmouth — and the prospect of a first child joined forces, he was left with little alternative but to move to Norwich.
Adlard's has had teething

problems in its new location. It missed the crucial pre-Christmas period by two months through building delays and already has become the proud owner of its second hot-water boiler since it opened for business on

But the kitchen has settled down quickly and the restaurant has one other main attraction in David's American-born wife Mary who, as front of house, almost single-handedly makes you forget the many noisy US Air

Force jets in the area.

David's approach to his menu is both careful and thoughtful. Because he is open only for dinner, Tuesday to Saturday, he can devote the full day to producing dishes that have not only been created and re-worked in his mind's eye but also in the A crab and lobster bisque

was a wonderful reduction of what had started as a very good stock and was thick with pieces of both shellfish, while another dish of grilled sweet scallops glistened on a red pepper sauce. Sensibly, he has estricted the menu to a choice of four dishes at each course, with a fixed price of £23.00 for three courses and coffee. The main courses and

lesserts were as successful as the first courses: an inspiringly fresh supreme of turbot with a timbale of baby spinach and home-made noodles; a breast of Gressingham duck served with a Madeira sauce, a confit of the duck leg and salad; then, stunning elderflower fritters on a gooseberry purée. We drank (from an interesting

chateau Rahoul 1986, for

Like many other new restaurants, Adlard's can be faulted on its service. When so much of the action takes place in and around the kitchen, waiters and waitresses tend to gravitate



towards it and away from the customers after whom they are supposed to be looking.
This seemed to affect
particularly those tables furthest from the kitchen, but should improve once the

waiting staff gain some confidence and realise how lucky they are to be working for such a talented and friendly couple. The move has put David Adlard on a much surer

financial basis; he is now busy during the week and very busy on Friday and Saturdays, whereas at Wymondham he was busy only at the weekend. But he still does not have many local chefs with whom



he can share suppliers, talk prices or aven gossip (possibly a chef's favourite occupations). East Anglia has never had many restaurants of note, and the few good places have had more than their share of ups and downs: Hintlesham Hall or Shipdham Place when the de Blanks owned it.

Thus, the renovation of the Swan Hotel in Southwold, with 45 bedrooms and a good restaurant, should benefit the

Owned by the brewer Adnams, the 17th century Swan had fallen into neglect and was home neither to fresh air nor fresh food. The decision to renovate it was taken late last year and Simon Loftus, who runs Adnams' wine division, was made managing director of the parent company, Sole Bay Hotels. It was Loftus who transformed the Crown Hotel, 100 yards away, only four

years ago. This year, a great deal of company money and the same amount of Loftus's time and sense of style have been put to good effect. The reception has been opened up completely, the bedrooms made far more comfortable and aesthetically pleasing.

and the public areas given some badly needed daylight. The dining room is quite unrecognisable from what it was a year ago; light, airy and well-proportioned it is perticularly inviting even on the very wet afternoon we

arrived, an effect complemented by the choice of very simple, good quality white linen and high-backed, comfortable dining chairs. This effect is matched by

the cooking, now in the hands of Peter Cuffe. He starts with what is a characteristic common in all good chefs a mania for cleanline This is augmented by the

disciplines he learnt at his former job, as chef at the Belfry Club in London before being sacked by Mosimann. His experience, therefore, has been in producing interesting menus at fixed prices and this strength is now brought to

There are three menus at lunch (£10.50, £13.50 and £16.50) and at night (£13.95, £16.50 and £19.50), with the option of moving between the three. All offer good, fresh produce prepared and cooked intelligently.
Interestingly enough, Cuffe

Interestingly enough, Cuffe has noticed a pattern emerging already in the choice of the menus with more people going for the more-expensive items, not only later in the evening but also later in the

The Swan has other charms: a good wine list, although this will soon be improved (if not quite to the level of the Crown), and a very personable manager in Dudley Clarke. Its situation is also wonderful, not just in Southwold itself but also its proximity to Walberswick (known Hampstead-by-the-sea), Aldeburgh, or just the sea. And should you still be hungry at hunch, some of the very best fish and chips are under five miles away at the Flora Tea Rooms in Dunwich (072-873-433).The Swan Hotel, Southwold (tel. 0502-722-186). Single rooms from £36, doubles from £56. The Crown Hotel, Southwold (tel. 0502-722-275). Both take Access, Amex and

Nicholas Lander

ST. JOSEPH'S HOSPICE

Since 1905 we have shared the Last year alone 900 found peace with the help of your vital gifts. Most of them died of cancer—but so serenely that you would hardly know.

MAREST LONDON E8 45A (Charity Ref. No. 231323) grief and ensed the pain of countiess suffering souls.

Your concern is as encour as your generosity and we thank you for your inspiring trust. . Sister Superioc

become rarified increasingly in provenance (and price) as you ascend. At the bottom is the family's only concession to run-of-the mill huyers: an excellent vin (relatively) ordinaire at a mere FFr17.50. The wines are good value.

tobacconist. Not an orthodox shop, certainly nothing so exquisite, courtly manners and trendy as a boutique, it is modthe self-deprecating theatricalelled deliberately on that most ity which made their father the subtlest and most effective noble of outhouses, a dovesalesman of fine wines this lt consists of an elegant spicentury - although no family ral wood staircase lined with member does anything as vulgar as sell you wine directly; they simply, and graclously, bottles of claret, Sauternes, and dry white Graves. These allow you to buy some of it. And very good it is invariably,

HE MOUEIX family although the term might appear a little relative by the time you reach the fourth floor time you reach the fourth floor and contemplate an array of Cos d'Estournel, a magnum of the 1920 for FFr2,000, the jere-boam of the 1959 for FFr5,000. The wines all come from the

stock of 1.5m bottles accumulated by Duclot, a merchant bought by Jean-Pierre Moueix and transformed by his son, Jean-Francois, Into France's biggest and best mail order wine business. Both Jean-Francois and his

brother, Christian, share the albeit carrying generally what might be termed a Moueix pre-

Despite its natural and curiously unpretentious lordliness.

name indicates that it origi-nated in the arid poverty of the Correze, the hilly department on the Dordogne up-river from Libourne. Before the war, Jean-Pierre sold wine door to door in Belgium and northern France (never failing, he says proudly, to clinch a sale). After the war, he increased his con-trol of Pétrus steadily; its owner, Madame Loubat, was as keen as he for her wine not to

be under-sold. His real chance came with the 1959 vintage, however. Moueix is a gambler — once a regular at Monte Carlo's top table – and, like many other wine merchants before him, made his name and his fortune by placing all his chips on a single vintage. The 1959s hrought him a real fortune and a place in the charmed inner circle of the Bordeaux trade: yet, while most of the other members, the Cruses and their like, lost their name, their independence or both in tha slump of the mld-1970s, he survived - although, at the depth of the crisis, he sold not a drop

of wine for six long months. Moueix bought not only estates (Including distin-guisbed names like Magdelaine and Trotanoy) hut art as well. He was the executor of Raoul Dufy, once owning an unparalleled collection of the fresh, charming early works of a man best-known (unfortunately) for the racing and salling scenes he churned out later in life. But most of the Dufys have now been sold for even et the age of 75. Jean Pierre is still the most alert of buyers, trading a Dufy for a Hockney,



L'intendent: an elegant staircase lined with bottles of claret

delighting in a charming Roy Lichtsnstein, having his portrait painted by Francis Bacon. His two eons have gone rather different ways. Jean-Francois is as persuasive a salesman as his father while Christian was sent to the University of California's famous wine department at Davis, an unheard-of act 20 years ago. With Jean-Claude Berrouet, a distinguished cenologist, Christian is now responsible for making the family's wines. He has established his independence with a joint venture in the Napa Valley producing

Dominus which, inevitably and immediately, became Calif-ornia's trendiest red wine. At home, he is changing subtly the vinification of the family's Pomerols, emphasising their long life and their tannins at the expense of any immediate fruitiness. For while the Moueixes are too fastidious to proclaim their originality from tha rooftops, they do tend to go their own aristocratic way regardless of what the

neighbours might think

Nicholas Faith and fairly-priced list) a delicious white Graves,

HOW TO SPEND IT

Shopping to suit a busy lifestyle Lucia van der Post looks at a catalogue of quality

IN THE world of shopping what passes for progress, or at at any rate change, uearly always first sees the light of day in America, that acknowledged world leader in state-of-the-art shopping. It comes as no surprise, therefore, that Sears Groups' plans to extend Selfridge's reach with a series of home-shopping catalogues, should have been sparked off by the success of such ventures in the US. The Selfridge selection, as the project is election, as the project is called, comes to fruition on September 7 and follows the tried and tested formulae of great American stores such as Saks, Neiman-Marcus, Bloom-ingdale's et al, where "home-shopping" is an established way of life.

In the US some 30m people buy from the catalogues of stores such as Saks and Bloom-ingdale's. Millions will never have set foot inside the store itself. The secret of their success seems to lie in conveying through the catalogue something of the shop's real charac-ter. Nobody, after all, would ever confuse a Bloomingdale's catalogue with one from Nei-man-Marcus.

In essence home-shopping enables you to part with lots of money and huy lots of goods without ever having to visit the store. It differs from mere mail order shopping in that it is based around the identity or personality of a store. Most of us already have a clear, per-ceived image of what Selfridges stands for hut one store, hased in London's Oxford Street, cannot he

within reach of all who might like its wares. The idea behind in practice what looks so fine the Selfridge selection, as the Sears Group venture into home-shopping is called, is to take Selfridges and its goodies to those parts of the country that the shop itself country that the shop itself cannot

Upmarket mall order shop-ping has been tried before and never been a conspicuous success but Sears believes that the time is now ripe for converting the elusive ABC1 consumers into browsers through the home-shopping catalogues. Life-styles have changed, goes their thinking, many of the shoppers they are after

spend longer hours at work and use their leisure-time in increasingly sophisticated ways - shopping is no longer what they want to do when

off-duty.

It also hopes to attract upmarket shoppers by develop-ing further the kind of ideas and service that the Next Directory offers. No nasty brown paper bags for the Selfridge selection - everything will arrive beautifully-packaged in white tissue paper packed into white boxes.

Orders will be dispatched within 48 hours to any address nominated by the customer and there is a 24-hour seven-day free telephone order line (tel: 0800-101-101). All major credit cards can be used. They also offer a guarantee that the customer can return any goods that he is dissatisfied with with no questions asked. So the service side sounds

excellent, if they can bring off

in print. But what about the goods? The first catalogue homes in on autumn fashion and here Mr, Mrs or Ms ABC1 with the husy life-style can select a safe wardrobe to take them through the autumn.

There's nothing startling or avant-garde, not even some of our finest British designers (no Jasper Conran, Arabella Pollen, Ally Capellino) but you will find Yves St Laureut, Pendi and Christian Dior as well as middle-of-the-road names such as Betty Barclay Frank Usher and others. It's the place to look for quality basics rather than high-fash-

Next in the series of catalogues will be one devoted to Christmas presents and it is full of chic and glossy items which the ABC1s can safely and happily give to each other over the festive season.

To the target audience — that is, those who hate shopping, those who live far beyond the reach of decent shops and those whose tastes run more to the safe and classic than the avant-garde – I think the cata-logues may prove a boon. Men in particular may well be grateful to be able to buy the essentials of their wardrobe things like the classic two-fold cotton poplin shirts, good silk ties and pure cotton socks - in such a trouble-free way. The first catalogue can already be ordered free from the hotline (tel: 0800-300-366) though the catalogues themselves won't be sent out until the September 7



Lucia van der Post tells you where to buy the finishing touches - from doorknobs to candlesticks - that every well-dressed house needs

WHEN IT comes to buying all the small things that give a home personality and character we have seldom, in my memory, been surrounded by so much choice and variety.

For Him — a range of ready-made but nonetheless line quality Harvie & Hudson shirts. In two-fold cotton poplin, with mother-of-pearl buttons and twin-needle stitching they come in a choice of three stripes (blue, red or pink) finely-edged in black on a white background as well as plain white or blue at \$49.95 a time. Sizes range from 14½ to 17½ collar size. Worn with the shirt is a spotted pure slik tie (£18.95) and spotted red and white braces from the Regent Belt Company (£22.95)

Whether your tastes run to the cool and minimal or the ornate and baroque somewhere there is something for you. Shown here are just some of the

McCloud is the company for those who long for a little deco-rative detail, who are tired of too much logic and too much devetion to the dictats of funccurves and curlicues, in bows and and fleur-de-lys and above all it believes in a touch of theatricality. There is nothing thin-blooded or tentative about its pieces and those who like some of it will probably fall for it all ...

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Everything McCloud makes is in forged metal and its designa, it says, "draw inspiration from the best of European craftsmanship." Each and every place is handwrought and welded, gold-leafed, rusted and then has a patina put on it so that it looks as if it has been around for a decade or two. Mirrors come with antique glass and things like chandeliers and wall sconces can be fitted to take delicate electric

There is a small selection of furniture, including chairs (highly decurative and stately looking but I don't think I would relish sitting on them for long) and a selection of console tables with decorative forged metal supports and mar-ble tops. However, its chief strength as a company seems to lie in smaller accessories. There is a big selection of wall sconces, with or without mirrors, there are coethooks and jardinieres, mirrors and chan-deliers and (a personal favour-ite) wine-racks that are highly attractive in their own right and a million miles from the square rough wood and metal

ones that are commonly sold. The photograph above gives you the range's flavour. The oval mirror is £255, the small regal candlestick £85, the

ITTLE BUNCHES of

herbs in crush-proof

packs are now to be found in greengrocers

and supermarkets up and down the country, making tar-ragon, chervil, rosemary, oreg-

and and other aromatic treats available readily to the cook. The herbs are imported when

necessary to give uninter-rupted year-round supplies.

This means you can buy basil in mid-winter if you want, and green coriander and lemon

So why can you never buy fennel? Goodness knows it is

similar but the taste is not the

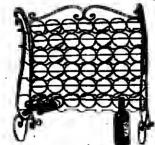
grass, too.

smaller pieces that every properly-run household needs — whether it he a coathook or an ashtray, a doorknob or a mirror there are choices to be made.

Some come from exquisitely controlled minimalist designers, others from the small workshops that are springing up all over the country and possess the character and individuality that owe nothing to the production line.



All can be seen and bought at the McCloud showroom at 61 Hillier Road, London SW11 6AX, or they can be ordered by mail from a full-colour catalogue which costs £2 from the above address. All of the pieces are handmade and some are made to order.



Philippe Starck is one of the most sought-after designers in the world. Ever since the heady day when he was first commissioned to do up some of the Mitterrands' private rooms in the Elysee palace and then went on to design that most modish of all modish cases

IF THERE is a household that has enough bookshelf space I have yet to meet it. Finding a system that is elegant. strong, adaptable and not overwhelmingly expensive seems almost impossibly difficult. However, I came across a system designed some 20 years ago by one of the design world's most eminent practitioners, Dieter Rams, which seems to do almost all that one could ask of a shelf. It goes by the rather uncharismatic name of the 606 Universal Shelving System and is distributed in this country by Vitsoe UK, the company that was set-up 25years ago, entirely to distribute Dieter Rams'

products. The 606 system's chief advantages, it seems to me, are that it can be infinitely changed and varied. No arrangement is fixed for all time. If you move house or change the arrangements in

(Café Costes in Paris which sports what may be the most-visited pissoir in the world) he has sported a high profile. His latest much photographed project has been the renovation of Manhattan's Royalton Hotel for the late Steve Rubell. The design press has been onling

a room you can either add to the system or simply rearrange the elements. It has the elegantly anonymous look that one demands of a shelving system - that is, it does not intrude gratuitously upon the eye but if you take the trouble to examine it then you notice how finely-made it is.
The main components

consist of horizontal or slanted shelves and a variety of cabinets, drawers and cupboards which are suspended from aluminium uprights. The uprights can be attached directly to the walls with screws; they can be partly attached to the wall with the structural weight being taken by the floor; they can be clamped in compression between the floor and ceiling or they can be entirely free-standing. There are three main options in terms of finish entirely black metal shelving and fittings, grey

and ahing over it since it opened last autumn. Its extraordinary combination of opulence and simplicity brings lt streams of devoted visitors and OWO, the French company, was so wowed hy some of its accessories that it now makes a range of them under

fitting or, a more expensive option but one that is probably more suited to most domestic situations, is natural beech shelves with black metal fittings.
Those whose first instinct on hearing of flexible shelving systems is to run screaming,

white metal shelving and

feeling that the calculations are beyond them might like to know that either Vitsoe itself or The Couran Shop, which sells it, are happy to

design systems for customers.

As with any shelving system giving exact prices is almost impossible but to give some idea, prices start at £26 per shelf for the metal finish. Delivery is free throughout Great Britain. For advice on the system contact either Vitsoe (01-403-5355) or you can see it and buy it at The Conran Shop, Michelin House, 81 Fulham Road, London, SW3 and Garrett O'Hagan, 99 Capel Street, Dublin.

In this country Fast Forward, a small group of shops devoted to eclectic high-quality modern gadgets and accessories, has the exclusive rights to them. I hasten to warn that they will certainly not be everybody's cup of tea - they are very avant-garde in mood but devotees of the high-tech modern way of life will love them. They are an intensely personal expression of one man's individual talents and

There are doorknobs and coathooks, penknives, and corkscrews, candlesticks and

look almost like pieces of art.

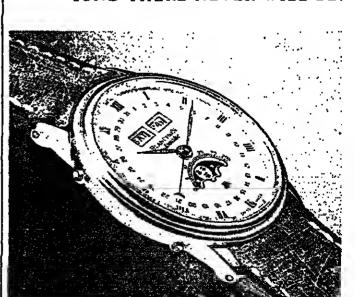
so strong a statement do they

business card holders, ashtrays and mirrors, most of them made from cast aluminium and some from combinations of cast aluminium and frosted glass. A small selection from the range is photographed here. There are now three shops, all in London hut there shops, an in London but there is a good mail order service (tel: 01-494-3115. Shops are at 14a Newburgh Street, W1, 261 Kings Road, SW3. and 72 Upper Street, N1. London).

Above left to right: a candle-stick in the street.

stick in cast aluminium with a frosted glass fin, £139; mirror in cast aluminium with frosted mirror, £392; cast aluminium coathooks, £364 for 2; cutlery

SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. ${f A}$ ND THERE NEVER WILL BE.



<u>ib</u> BlancpaiN

LONDON Carringtons, Mappin & Wabb, David Morris, Garrard, London Hilton Jewellers, Watches of Switzerland, The Watch Gallary

Cookery

Mystery of the missing fennel

same thing at all.

BAKED TROUT WITH HERBS (serves six)

A fine, summery recipe for making the most of small farmed trout. For fly fishermen's larger offerings, increase cooking time a little. If you can't law hands on farmed can't lay hands on fennel, use a little more oregano and chives.

hardy enough, a perennial that self-seeds with vigour all over the place. In this respect, it is a nuisance on a par with angelics; but I wouldn't be without Ingredients. 6 trout weighing about 8 oz each; 2 tablespoons each chopped fresh paraley, chives and fennel; 1 tablespoon each chopped fresh Fennel makes a tall, stately clump. Its feathery fronds look lovely when spangled with dew or rain, and the mild anissed oregano, thyme and tarragon; 7% fl oz Greek strained yoghurt plus 2% il oz whipping taste is delectable. Fresh dill leaves (which are on sala everywhere) may look rather

cream; a little concentrated or clarified butter. Measure the herbs into a small saucepan. Add a generous seasoning of salt and pep-per and stir-in the cream and yoghurt. Cover and leave to infuse in a cool place for at

least an hour. Heat a frying pan. Smear it barely with fat and fry the trout hriefly, a couple at a time, just long enough to brown the skins well on both

Transfer the fish to a baking dish (or other shallow oven-proof dish suitable for bringing to table) which is just large enough to take them, head to

tail, in a single layer. Bring the yoghurt and herb mixture to simmering point very slowly, stirring all the while. Pour it over the trout, cover, and bake at 350 F/180 C (gas mark 4) for 20-25 minutes until the little fish are piping



hot and cooked through.
LEC OF LAMB WITH LEMON AND HERBS (serves eight)

If you are tempted to try an alternative to roast lamb with mint sauce and red-currant jelly, I recommend this. Ingredients. A leg of lamb

rosemary, thyme and oregano; 3 lb potatoes (ideally, they should be oval in shape and weigh about 5 oz each); 2 lemons; olive oil; and a little runny

Put the lamb into a large roasting pan. Strew it with plenty of coarsely ground black pepper and the hruised leaves stripped from two or three sprigs of rosemary. Add one tablespoon of honey and ruh it all over the meat with your hands. Then rub half a lemon over the lamb, squeezing the juice onto the meat as you do so. Do not add any salt. Leave

to marinate for 4-24 hours. Peel and quarter the potatoes. Pile them around the joint and squeeze the juice of 1% lemons over them. Scatter

the potatoes and joint with about two tablespoons of chopped rosemary and half as much thyme and oregano, then driz-zle them with two or three spoonfuls of olive oil. Pour a quarter-pint of water carefully into a corner of the pan and slide the pan into an oven heated to 425 F/220 C (gas mark

After half an hour, turn the meat and potatoes and baste well Reduce the temperature to 400 F/200 C (gas mark 6) and continue cooking for a further 1-1% hours. Lift the lamb and turn the potatoes occasionally as they cook to prevent sticking to the pan base, and add a few speonfuls of boiling water to the pan if it begins to look

When the herb and lemonscented joint is ready, let it rest. If you want to give the potatoes a more golden finish, increase the oven temperature and continue cooking them for

a little longer. Philippa Davenport



DIVERSIONS/ARTS

the day afterwards. "20,000 at acid bash...drug pushers galore...kids of 12 go wild." It is unlikely that anyone et the party was much under 18 but apart from that The Sun wasn't far off. With funfair rides, houncy castles, soft drinks, hot dogs and candy floss, last weekend's Sunrise and Back to the Future Dance Music Festival was just like a fabulous children's party - for consenting adults only.

The event, which no-one but protestors called an Acid House party, took plece in a field near the village of Longwick in Buckinghamshire. As usual with these parties the location is not revealed in advance but only by phone on the night: this is to prevent the police interfering and also, possibly, because it is more fun that way. Only ticket holders were admitted, and since these things are advertised by word of mouth alone the guests were made up of hard-core London clubbers and their friends, all united in their desire to party and to dance.

Dancing is the soul of the bizarre movement which first came to public attention last summer when Acid House music, with its fast synthesised beat, packed the nightclubs and gave rise to illicit "warehouse" parties all over the country. The attention of the media, focusing on the alleged detections of the synthesis of the summer was a summer was a summer with the synthesis of the summer was a summer drug-taking activities of the clubbers – LSD (back in vogue in a weak "club" form) and ecstasy. or E. a midly halluci-nogenic amphetamine derivative - finally drove the whole scene underground, but last year's "summer of love" has been succeeded by a second, even more intense but without the "Acid" label.

The press coverage has only served to make the parties, the music, the drugs and the dancing more popular than ever among the young; the game now is to overcome the police, local residents, and the sheer difficulty of organising such events in order to hold the ulti-

mate warebouse party.

Arriving at 11pm we were ushered through a posse of security men into a field about a mile from the village. Around the perimeter were stalls and fairground rides and a mar-quee with a light show. In the middle a strange machine like a miniature Eiffel Tower produced twisting sparks of light and laser beams, and at the end a stage with e large screen was flanked by 100kw bank of speakers blasting out the purest and hardest of DJ House

Tha spectacle was dazzling, Thousends of people (12,000 according to the organisers) were bopping and ilving to the frantic rhythms, glowing in the ultra violet light as it hit their



I could have danced all night

Today's youth would rather party than protest, says Anthony Kerr

fluorescent clothes. The screen projected psychedelic images like cartoons, surrounded by a thicket of lasers making circles in the air. In the marquee the latest hi-tech light machines pulsed and flashed in tima to the music, the lights from the fair spun round and round and, later, there were fireworks.

But it was in the first light of the morning that the full splendour of the gathering became apparent. As the sun rose to the sound of the party's anthem "Everything begins with an E" the full range of London's fashions emerged from the darkness in a kaleido-scope of colours and styles probably never matched since the hippy era. There were rastamen in day-

glo colours, men with pony tails and ponchoes, New Age hippies (but no real ones) with flowered bell-bottoms and bal-loon sleeved smocks, men in tle-dye caftans with compact discs worn like amulets around their necks, couples in match-ing, loudly-checked jumpsuits or dungarees (fashion hint -one strap is worn undone), paisley shirts, cowboy suits, and, strangest but most reveal-ing of all, people dressed as bebies with dummies round their necks which, in times of stress, they would suck upon. It seemed to me that this was a vast children's fancy dress party and that, in a country riven with disputes, the response of these hippest of

response of these hippest of young things was to retreat into childhood, into the simple pleasures of a lost fairyland.

The general atmosphere was also childlike. People shouted and ran around, ate hot dogs and drank soft drinks (no alcohol was available). There was no violence, only smiles all round; the hlacks, the whites, the lesbians, the gays, and other assorted weirdoe contented themselves with shouting "Mentall," dancing, and having e good time which, in essence, is what it's all about. Indeed, that was the only thought uniting us all.

For this, after ten years of Mrs Thatcher — and exactly 20 years after Woodstock — is a protest movement without an ideology. "Do you think this could change the world?" I asked e young hleck man.

asked e young hleck man.
"Who cares?" he replied, "We
just want to be able to party."
What did he do for a living? At that he laughed and walked

There was no perceptible political direction about this group of fun-loving kids - no anarchism (which real hippies often espouse), no green poli-tics, and no issue like the Vict-nam war to drive them into action. Why fight when you can dance? Definitely Thatcherite, how-

Definitely Thatcherite, however, is their attitude towards money. At £15, (plus £5 membership) the party was not cheap, especially if you add spending money and £18 for e tab of ecstasy; the clothes were the very latest and most expensive fashions; and considering that most people will be out clubhing several nights a week on top of that you have to be pretty much a yuppie to afford it all. The organisers of such events also stand to make at least £200,000 from e big party. least £200,000 from e big party, provided they have the entre-preneurial skill to pull it off. Could we one day see the first Acid House knight of the

Also making money, and very much part of the move-ment, were the drug dealers. For the press, this is the worst thing about the dance craze. Clearly, given the nature of the event, many people must have been on drugs. There were a few dealers wandering around offering "Es", and once I was offered "trips," but it was much more low-key than I had expected, Most people must have brought their drugs with them, but it was impossible to say who had and who hadn't taken anything. Whatever the truth, the general atmosphere

was much more pleasant than most pubs on a Friday night. It was the music, however, which gave the occasion its purpose and spirit, and it was excellent. Everyone danced exuherantly, jerking and punching the air, in e seamless wall of rhythm all night long and into the day. The end came at 3pm on Sunday, the result of a clamour of local protest and police pressure. Local residents were prevented from sleeping, but it was more their harred of

"Acid House Parties" and everything they stand for that brought it to a close.

The party over, the children went home. Clearly, the warehouse parties will continue, since it is almost impossible to prevent a group of people over 18 from enjoying themselves as they please, even if that myolves drug taking and loud

Their strange childhood fixation is perhaps one of the less expected results of this Gov-ernment's political echieve-ments; but at least it is non-violent, and apart from the drug aspect, surely preferable to the nihilism of punk or the drunken violence of street corner yobboes. And who knows, its ideological vacuum may yet be filled with some kind of political consciousness. In the meantime, the dance goes on

Quality in quantity: the Show rolls on

Antony Thorncroft on the RA's summer tradition

OMORROW the Royal public. Academy's Summer In the Show closes its doors. In just over two months around 140,000 people will have scrutinised the 1,250 or so paintings, sculptures and prints that make up the Show and, in the main, find that they

want them.
Last year the Royal Academy disposed of art on show to the value of just over £1m.
This year the take is likely to be around the £1.5m mark, with almost 90 per cent of the works on offer finding new homes, making it the greatest art sale in the country. This is good for the country, for art-ists, and for the RA, which

ists, and for the RA, which takes a 25 per cent commission on every work sold.

The Summer Show has been at the heart of the Royal Academy's being eince it was founded in 1769. From the first, amateur artists — well, seven of them — were allowed to join 126 professionals in offering their work to the public, and during its first century the during its first century the Summer Show was basically what the RA was all about what the RA was all about.
Only in 1868 were winter exhibitions added. By 1879 the opening of the Summer Show marked the official start of the London Season, and that year attracted 391,000 visitors. Admission fees financed the work of the RA, and looked after poorer artists.

But as the power of the RA waned so did the Summer Show. By the 1960s attendance figures were down to around 60,000 and tha Show was almost a financial liability. Even as recently as in 1974 the Academicians threw out the idea of charging a commission on the art sold, but the change was finally approved in 1977 and last year, what with admission charges and com-mission, the RA made a

£149,000 profit from it. In 1989 it will be more, a much needed boost for an organisation which receives no public funding and which has so far this year experienced a better response from the critics for its exhibitions on Italian art and Swedish Royal treasures than from the paying

In the last two years the panel of judges has attempted to improve the quality of the art in the Show. The judges have cut down the entry hy a couple of hundred – this year 1251 arbibits were displayed. 1.261 exhibits were displayed out of a total entry of over 12,000 - passing over pretty.

well-painted but anodyne flower pictures in favour of bigger, better, bolder works of There has also been pressure on the Royal Academicans themselves to suhmit good things: David Hockney responded with his first of for many years. The 50 RAs, along with 30 ARAs, can each send in six works, and if they make no offerings over five years they must have a good excuse for not doing so. In the event the great majority submit; however, they do not always sell. The Summer Show, along

The Summer Show, along with the annual Contemporary Art Sociaty's exhibition at Smiths Galleries in Covent Garden, has become the popular place to buy art. The major-ity of the works for sale go in the first week, most of them during the three days of pri-vate views. But it is the modvate views. But it is the modestly-priced art that finds a buyer, aithough the average cost rises steadily. In 1998 each work cost on average £422; this year it is £652, a jump of more than 50 per cent. This includes numerous prints, although there are few decent paintings going for less than £1,000.

So, obviously, it is the decorative paintings by gifted ama-

rative paintings by gifted amateurs and non-RA professionals that are snapped up. The serious buyers of art prefer to be cosseted at a dealer's gallery rather than participate in such a frenzied market place. The most expensive work on offer, Michael Sandle's brouze

"Woman for Heidelherg," (which was chosen hy the panel of experts as tha winner of the Korn Ferry award for the best work on show), costing £57,500 each in an edition of five, is still available, except for the original commissioned

son, Roderigo Moyniban, Philip King and Gillian Ayres on offer-for hetween £20,000 and £80,000.

with no takers.

However, prospective buyers may be negotiating with dealers about them. Dealers have prohlems with the Summer Show. The RA's 25 per cent commission is at least half the usual dealer mark-up, but most artists take their dealers' artists take their dealers advice and price their work at their market rate: they some-times give their dealers a com-

times give their dealers a commission as well as the HA, or else the dealer acquiesces in a higher return for the artist. And the Show gives dealers the chance to trawl for new talent. Among the high prices Baid to date has been the £14,000 by the organiser of the Grosvenor Antiques Fair, Ewan Steadman, for "The Kiss," a bronze by Ben Panting (his fibre glass edition of three cost £7,000 each). "Votive Offerings" hy Mick Rooney, judged by the public to be the best painting in the show and winner of £5,000 from Korn Ferry, sold for £6,500; and Norman Adams, the RA, disposed of a group of three priced at the RA, disposed of a group of flower paintings priced at 23,500 each. But in the main tha Summer Show reflects.

Home Counties taste, with the small flowering small, figurative, pictures going most rapidly.

The RA does its best to

The RA does its best to raise public appreciation of art but it sees the Summer Show more as e sales opportunity for artists and as a means of improving its own financial position. It makes a point of ensuring that prospective buyers negotiate directly with the artist for the physical transfer of the works, and many long relationships are formed this way.

Connoisseurship comes

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ships are formed this way.
Connoisseurship comes
through experience and, as
affluence grows and the level
of art buying increases, so
more pictures (although still a
minority) will be of serious
quality. The Royal Academy
Summer, Show may provide,
quantity rather than quality,
the atmosphere of Selfridge the atmosphere of Selfridges rather than Cork Street, But as for the original commissioned its reputation starts to grow work. In the main room there anew it is well placed to evenare paintings by such distin-tually mould, rather than guished RAs as Craigie Aitchi-reflect, national taste.

Why the old routine is still the one-two beat

Alastair Macaulay on the Bolshoy's London season

THE BASIC idea of dancing to the heat: wouldn't you have thought it was the same the world over? But no, it's not; and, during the six-week Bol-shoy season in London, which ended last Saturday, (the com-pany is now on a UK tour) it kept tantalising me. Bolshoy dancers, preparing for a big classical step. often use the downbeat, not for the step itself but for the preparation for it. Elsewhere, amid more oompah or rumtitum music. dancers may often edge ahead to hit the beat itself, or to echo it closely. And so, the aural focus of a dance keeps shifting. In Les Sylphides, the Bolsboy push and pull this kind of rubato to Romantic extremes; and it's wonderful - it is, somehow, Chopinian. But in

ballets so rhythmically delicate as Raymonda and The Sleeping Beauty the Bolshoy's musicality, never less than efficient, seldom scintillates. Awesome to see the whole corps de ballet tagging aloog together after the beat - yet, when in Ray-menda the classical ensemble always finishes in the same fraction of silence after the last chord, it is as disturbing as watching a movie whose

sound-track is several frames out of synch. And the Bolshoy does this on purpose.

How strange to find that there are American and even a few British dancers who can help you hear the subtleties of Chaikovsky better then the Soviets. And how ironic to recall Moscow conductors, such as Gennady Rozhdestvensky or Mark Ermler, who have stimulated Western dancers to the kind of acute rbythmic spontaneity missing in today's Bolshoy ballet. The Bolshoy style is grandly consistent, but it isn't the best for high-style classicism. (The kirov, though more elegant in line and more radiant in style, is musically even slacker. Bolshoy conduc-tors don't challenge their dancers, but Kirov ones simply pander to theirs.)

Almost everything the Bol-shoy dancers did throughout the season was absolutely admirable, but much of it was glazed. A marmorial routine. As night followed night, it was often more inspiring to watch the corps de ballet than the stars. I saw four different casts of Swan Lake, and the most glorious dancing was always the same: the ensemble in Act

EAT COMEDY

WESTO LIFE

digital

especially the men. Here was rontine, hut of what an order. Here was a realm of adult courtesy, of handsome dignity without stuffness, all on a grand scale and without any strain. The sheer stance of the men is a marvel — relaxed, powerful, elegant. And then, as they

move and jump, those qualities become only stronger.

The female style, jnst as accomplished, isn't quite as affecting. The corps of swanmaidens is weightily heroic. Their bent-leg arabesques are astonndingly firm, but the radiance with which classical radiance with which classical style directs energy through the leg and foot, like a beam into the beyond, isn't what Bolshoy style is concerned with. What is gorgeous here and in all Bolshoy dancing is gesture. The dancers have an unfussy liveliness from waist to fingerties that informs averathing tips that informs everything

they do.
But some of the least lively, least persuasive dancing, was et the top. Among the excep-tions: Irek Mukhamedov, whose career is in its high summer, Natalia Bessmertnova, whose career is enjoying a rich autumn glow, and the character dancer Gedeminas Taranda exemplify everything I love in the ensemble, take it

to the heights and show the inner life of all they do.

But why was Yuri Vasyuchenko so ubiquitous? He is a classical blank, whose dancing is spoilt by his fake-noble strain to carry his inserting to the strain to carry his jaw à la Joan Sutherlend. Why did Andrei Fedotov, so sweeping a talent in the La Sylphide pas de deux, dance no other solo role? Nadezhda Pavlova, who produced some of the season's few phenomenal moments, performed more often than not in "You liked my performance? I unbecoming. Some of us thought it stank."



Nadezhda Paviova and Irek Mukhamedov of the Bolshoy

Nina Semizoriva, perhaps the company's strongest virtu-oso hallerina, sometimes relaxed within her own prowess and took exciting risks. She has wit - but not warmth. What a contrast to Nina Ananiashvili, who casts her doe eyes at the audience more often than at her partner. She has a ravishing figure, and covers the stege with immense hreadth of motion: a beguiling blend of power and refinement. But no dancer, save Vasyuchenko, seemed more glazed than she. She danced Giselle and Swan Lake smoothly but a self-dissatisfied manner and with little variety. And that air took curtain-calls as if to say: of snooty soulfulness was

and that they were being chal-lenged by the 20th-Century classicism of Balanchine and

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like Ananiashvili would rejuve-nate the Bolshoy. Three years on, the reverse is occurring. Coming up through the ranks is another bright-faced long-limbed enchantress, the blonde Inna Petrova, who danced the Lilac Fairy in Beauty and other solo roles, and is tipped to become the company's next ballerina. Like Ananiashvili, she has charm, spaciousness, and a heavenly upper-body vivacity. I wish for her sake and that of other adorable soloists, such as Elvira Drozdova that they had a wider repertory to aspire to,

Ashton. The Bolsboy is still a company for us to admire and learn from. But it inhabits an airless, windowless world, and its modern Grigorovich chore-ography is on a Harold Rob-bins level. The company spend so many months touring each year that it now has little time for novelty. Just time to keep polishing the old routine.

Musical movements

Ronald Crichton on the lives of three composers

LISZT'S central position in 19th century music is now firmly established. For the last 50 years and more there has Dent (The Musice Musicians) 404 been a movement in England. pioneered by such enthusiasts as Sacheverell Sitwell, Constant Lambert and Humphrey Scarle, towards greater know-ledge of his vast and varied body of composition. One still senses the occasional puritan disapproval of the man and his disapproval of the man and his music ("yes, a great pianist no doubt — but ...") while adjectives like shoddy and insincere are heard — implying how far the composer of the Faust Symphony and the Piano Sonata falls below what are still, in places high and low, believed to be Victorian values. The suiffs of dissent are faint

The sniffs of dissent are faint enough all the same to absolve Derek Watson in his new Master Musicians volume from having to waste space on apol-ogy. His survey of the ever-ex-traordinary life embracing Austro-Hungary, Paris, Wei-mar, Rome and many other centres besides is admirably carried out. He is particularly good on the Hungarian connec-tion, stressing the value attached to Liszt's works by Bartók and Kodály, sometimes thought of as only representing a side of Hungarian music that

Liszt came to too early to understand. In his relations with women (Liszt was a more circum-scribed womaniser than many imagine) there is an element of imagine) there is an element of tragi-comedy most clearly seen in the long companionship (narrowly avoiding marriage) with the formidable, cigar-smoking Polish Princess Carolyne Sayn-Wittgenstein. Watson quotes a description of her by George Eliot, the more by George Eliot, the more lethal for not before intended. lethal for not being intended maliciously. Liszt's relations with his daughter Cosina Wagner, and indeed with his son-in-law and musical debtor Richard, were sad on the whole. He paid dearly for

The body of original plane music (running through his career from the virtueso period to the extraordinary experi-ments of the later years) is described succinctly and informatively. As for the transcriptions which form an important (and formerly misunderstood) part of Läzz's work, Watson rightly suggests that the more important ones, for instance the Don Giovanni fantasy, deserve to be listened to as original works. Towards the end, in the sections on the choral music and songs, areas too little explored except by gramophone companies, weariness creeps into the writing - the

FELIX MENDELSSOHN. A LIFE IN LETTERS Edited by Rudolf Elvers. Translated by Craig Tomlinson Cassell, 334 pages, £14.95

> DELIUS: A LIFE IN LETTERS, 1909-1934 By Lionel Carley Scholar Press, 500 pages, £30

fault no doubt not of Liszt but of the sheer fatigue of listing, sorting out and enumeration.

After Liszt'e various splendours Mendelssohn cannot help seeming small beer. He was a very good letter-writer, with a keen eye for Romantic landscape, a real if limited eense of humour and an immense fund of family devo-tion. This selection, made by Rudolf Elvers of the Mendelssohn Archives in Berlin and translated by Craig Tomlinson for publication in the US, has a biographical framework just detectable by reference to the index and chronological table.

But there are too few notes and linking passages to throw light on Mendelssohn's music (which he disliked writing about) or his colleagues or such matters as his interesting connections with the world of painting and sculpture.

Two of his own drawings are Two of his own drawings are

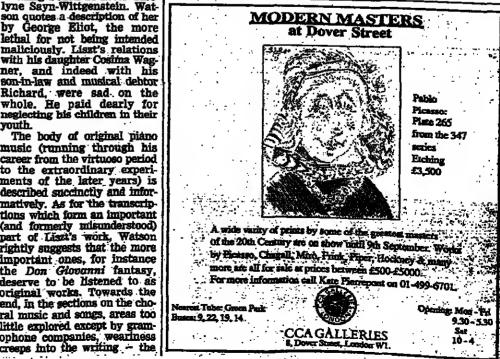
By Derek Watson trait sketch by Schadow revealing that exhaustion had already set in as early as 1834.

Poor Mendelssohn – too well educated and brought up for his own good, an early and willing victim of overwork. Meyerbeer, from a similar weighty Jewish banking back-ground, Jewish banking back-ground, Jewish banking back-ground, Jewish banking back-sohn did not suffer Meyer-beer's deep sense of insecurity. The description "a life in letters" is much more genu-inely earned by the second fat instalment (1909-1934) of Lionel Carley's Delius, of which the

Carley's Delius, of which the first volume appeared five years ago. Here in profusion are letters to and from Delius. fully, informatively and read-ably annotated at the foot of each one. Even with some awk-ward gaps where many letters from such essential figures as Beecham, Heseltime and Feinby have not survived or been have not survived or been made available, the result is a fascinating panorama of the less parochial side of English musical life and of Continental centres, especially Paris and

Germany.

As Delius's health fades; his remarkable wife Jelka comes more and more clearly into the more and more clearly into the picture. One letter reveals that before Fenby's arrival she had even tried her hand at taking musical dictation from her husband. Another establishes clearly (the matter is more fully treated in the introduction) that Dalius wrote the libretto of A Village Romeo and Juliet himself, not in German but in English.



NATIONAL THEATRE LYTTELTON CARAT CAST' BOX OFFICE 01-928 2252 spowsoetp at BY MOLITRE ENGLISH VERSION देशियां है। FIRST CALL The National and Bristol Old Vie

Antonio, later in tha dnet where Antonio finally wins Manuela, Mnreno Torroba

shows a real opera composer's ability to present situations in music. Production by Gerardo

Malla is as effective, leisurely

and easy-going as the music. A pleasant, undemanding even-ing in handsome sets and cos-tumes by Mario Bernedo — the

laundry, with a shoal of draped white linen, is a gift for a designer.

No expense has been spared. The company has brought its own chorus and the Symphony

OR MANY a tringe practitioner, the Edinburgh Festival is just one more gig on the annual merry-go-round. But there is something a bit special about the presence in the Assembly Rooms this year of Steve Shill's latest dream drama, and of Jonathan Holloway's new production for Red Shift about the lives and art of Frida Kahlo and

Diego Rivera.
Shill is one of our most. imaginative theatrical auteurs a veteran of Impact Theatre n obsessive accumulator neutal dreamscapes. and an obs of elemental dresmacapes. Working with students of the Leicester Polytechnic out of Performing Arts, he has come up with a wonderful narrative frame-work for The Ocie to St Cecilia. An orchestra has arrived in a remote country-

house to give a performance of Purcell's Gde on St Cecilia's Day. But the money has run out, the bookings are drying up and the event's hosts and patrons are neither healthy nor very much interested.
Only when you leave the
theatre do you realise that you
have participated in a poetic
analogy of a current "crisis in the arts." The artists ives are forced to nurture their resentments and paranoiss, beating each other up, confessing their fantacles, lying on top of the piano, throwing tennis balls through lamp shades. Norman the agent, who describes the pond and ornamental garden outside, highlights the central discrepancy between what

these musicians are and what

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Shill thrills with an odd ode to a crisis

they play.

They engage in idle
vandalism with scissors and
beer cans. One of them performs, very badly, the opening pages of the "Moonlight" Sonata (if thet is the standard, how do they get any bookings at all?). A girl recounts the demise of a lecherous trumpeter; the harpist laments the personal hygiene of the driver, a freelance bassist tells of sticking receipts in books and

storms. The concert does not take place.

Red Shift's Frida and Diego is an ambitious biographical study composed by Greg Cullen in bright primitivist blotches, relating Diego's pathological sexuality to Fride's under-rated artistic competence and sad, crippled physicality. Charlotte Humpston's beguiling design, and the broad-brush acting, capture perfectly the Mexican party! Anna Savva and Nicholas Jeune are superh as the twice-married (to each

other) indivisible rivals.
The play comes straight to
the Croydon Warehouse after Edinburgh, for most of September, before embarking on a long tour. Catch it.

In Ode to St Cecilia, a whole orchestra turns up on stage. In Michael Cristofer'e zippy boulevard comedy The Lady and the Clarinet at the

Michael Coveney finds more imaginative productions than usual hidden among the merry-go-round of the Fringe

picking up punk hitch-hikers. A violent kicking is ministered to an incipient rebel. Good grief, I do hope this is not about the Scottish Chamber Orchestra. The work is as yet far too timidly projected. But I predict that it will grow into one of the outstanding productions of the year by the time it reaches The Place in London. The students perform with grace and conviction, and Shill's insinuating production is magically arranged in an

muralist's style, with direct quotations from the great Alameda Park painting. Taking a cue from Sondheim, you might say this was "One Day in the Park with Frida and

Anyone who has visited Mexico is drastically changed by the experience. My by the experience, any affections for the country were gaudily aroused by this spirited compandium of politics, passions, and images of death (there is a lovely mini-chorus of dancing skeletons). We also meet the André Bretons and the Trotskys – at the same lunch

Netherbow Arts Centre, Imelda Staunton regales a taciturn solo clarinettist (Derek Cornhill) with her tales of amorous woe. Before the next boyfriend arrives for a musical

dinner à deux, the disappointed Luba, a wealthy vintuer e daughter in New York, conjures the three main loves of her life: the gauche gofer (David Thewlis) to whom she lost her virginity; the married TV commercials director (Dan Mullane) who wanted tea, sex and sympathy; and the fussing, house proud George (Bill Thomas) who is not so much a widower as "a

man with a dead wife."
The play is very funny, full
of wise-cracks in the style of
Neil Simon, a rather glossy package to find floating round the fringe (Roh Mulholland'e production comes straight to the King'e Head in London on September 12). But the significance of the show lies in the performance of Miss Staunton, who is rapidly becoming the first actress since Judi Dench of whom w can say she can very probably do anything. This is a stylish tour de force, a superb technical display covering a wide range of emotional and comic sentiment. The construction of Cristofer'e play may be transparently conventional; this wonderful

actress is anything but, and she has a field day. Result is:

The show is presented by the

so do we.

American Festival Theatre. Another neat little American piece is on view at the Royal Scots Club, and I am not necessarily referring to the leading lady, Gwendolyn Humble, whom London audiences will remember from Lend Me A Tenor. Going On! by Charles Dennis is a backstage, dressing room comedy for two of Life's understudies, Alfred and Lynn. Edward Hardwicke directs these low-grade Lunts in a play that is honestly contrived but not very exciting. The performances, though, are just fine, with Mr Dennis himself partnering the finally haughty Humble.

La Chulapona

Supported by the Banca Santander and the Royal Bank of Scotland, the Festival gave of Scotland, the Festival gave on Thursday at the Playhouse Theatre the first of three per-formances of Moreno Torro-ba's Zarzuela, La Chulapona. The production, by the National Opera of Spain, comes from the Teatro de la Zarzuela in Madrid. Spanish critics are happy splitting zarzueta in macria. Spanisa critics are happy splitting hairs about the various subdi-visions of the Zarzuela genre, which may be simply defined as Spanish light opera or oper-etta with a national, often local Carrett These discusetta with a national, often local, flavour. These discussions can be tedlous — no more so, probably, than endless British arguments about G and S. In practice the Zarzuelas, like the light operas of Britain, France and Germanspeaking countries, can justify themselves easily enough.

La Chulopona, first given in Madrid in 1934, is the bestknown of Moreno Torroba's

known of Moreno Torroba's large output after the slightly earlier Luisa Fernanda. This prolific and long-lived composer died a few years ago after producing, at the age of 89, an opera, El Poeta, for Placido Domingo. La Chulapona is set in Madrid about the turn of the contrave. Two langests of the century. Two laun-dresses, Manuela and Rosario, are in love with José Maria, engaged to Manuela hut soon caught kissing her rival. Rosario later admits to expecting his child, whereupon Manuela renounces him to her unwor-thy rival and accepts the hand

of the cafe proprietor Senor Antonio, who has been waiting for this moment. The ending is downbeat, with Manoela alone oo the stage confessing that her

thoughts will often stray to the irresietible José Maria. This framework serves the librettists, Federico Romero and Gnillermo Farnández Shaw, for a picture of Madrid city life, with an organ-grinder, a house-painter who follows many occupations

Ronald Crichton on an enterprising offering from the National Opera of Spain

including blind beggar and

night watchman to earn a liv-ing, and other colourful street characters. Manuela's father is perpetually in debt, Rosarlo'a mother is a money-lender. There is a spirited flamenco cabaret in Antonio's cafe, a band of aficionados on their way to a bullfight chilge with a suitable number. And so on. All this action (no doubt forandiences miss any amount of local allusions in the dialogue) is clothed in agreeable music of no obvious

originality hnt evident skill.

More than once, for example in the first-act waltz trio for the rival laundresses and

own chorus and the Symphony Orchestra of Madrid with the experienced conductor Miguel Roa. Laundress Manuela (she is the "chulapona" of the title, hot the programme notes craf-tily avoid telling us what that means) is sung by Lola Casar-iego, whose dark, almost plummy mezo contrasts well iego, whose dark, almost plummy mezzo contrasts well with the soprano of Amalia Barrio as Rosario. One would like to bear this singer's attractive, veiled timbre in other roles. As the heart throb José Mariá, the tenor Ricardo Muñiz is robust and likeahle. Jose Luis Cancela as Antonio, Rafael Castéjon as Chalina, the organ-grinder, Lois Barbero as Manuela's father and bero as Manuela's father and Julio Incera as her versatile brother are among the many who have the style at their fin-ger-tips. Worth catching the last performance tonight, because this is the only large scale Spanish musical offering at the festival which shows much enterprise.

A musical treat, but the eyes don't have it

airy white room, infiltrated by sounds of cows and birds,

of rushing winds and gathering

N ACT 2 of Wolfgang Wagner's new production of Parsifal at Bayreuth, the flower maidens filter on to the stage like a troupe of classical ballerinas in flowing white chiffen. For one awful moment, it looks as if Wolf-gang has succeeded in grafting on to his grandfather's sacred festival play one of the Parl-sian operatic practices Wagner most abhorred in his early struggle for acceptance. The scene thankfully stops short of developing into a full ballet yet the antiquated atmosphere of the staging does scent jus-tice to a work which has

expect Wolfgang to break free from the interpretative path he has followed all his life. His Tunnbauer production in 1985 suggested that the New Bay-reuth style was not entirely old hat, as it pointed up some mexpected structural and phil-ocophical parallels with Pursi-ful This staging of the later work shows no such insights: Wolfgang has done little more than drape a new cover on his 1975 production, without being able to re-activate its inner truths. His motivation for a new production appears to have been a desire not so much to share afresh his life-long

to remove the friction between James Levine and Gotz Friedrich, whose centenary produc-tion offered such a refreshing change from Bayreuth

So the Friedrich staging has been sacrificed and Levine remains. He succeeds in drawing from the orchestra as near the ideal interpretation as we are likely to hear in the theatre today. Tempi are less self-con-sciously moulded than in pre-vious years, held together with

Andrew Clark - reviews always assumed a unique mystery and glow in the theatre for ... Parsifal at which it was created.

> greater inner tension. Levine'e mastery of the Feststielhaus acoustics is revealed in the purity of texture and luminos-ity of the strings. The slow cre-scendos of Gurnemanz's monologues in Acts 1 and 3, and of the central confrontation between Parsifal and Kundry, are paced with exemplary musical instinct.

> The playing is clean and note perfect (unlike the Ring, about which I will report separately). The performance may still lack that elusive spirituality captured hy Knappertsbusch, but it suggests never

thelese that Devine is developing positively as a

Wagnerian.
A pity, then, that the visual counterpart is so leaden. The decor consists of six conical columns of rock crystal -apparently inspired by Aztec art - the surfaces of which reflect the green of the meadow and the rainbow col-ours of Klingson's magic garden. These inanimate columns, vaguely resembling sacks of crisply-wrapped gift boxes, bound the stage throughout the evening, except when swiv-elled 180 degrees to form the stepped walls of the Grail

Wolfgang's well-formulated theories on the symmetry of Parsifal - how both Titurel and Klingsor have in different ways perverted the magic of the Grail - take rudimentary visual form in the hexagonal shape of the stage and its cen-tral plinth. But the production's minimalist movement. the bland direction of principals and cliched costumes (by Reinhard Heinrich) turn the performance into just the kind performance into just the kind of soporific, psuedo-religious pageant that would delight the work's detracture. Only in the Grail scenes, which are enfused with subtle variations of colour and light, does the staging make a creative response to the world. to the music.
With the exception of Wil-

William Pell as Parsifal and Waltraud Meler as Kundry

liam Pell's lanky, baritonal and not entirely dependable Parsi-fal, all the principals have eung their roles in previone Bayreuth productions. Bernd Weikl makes a handsome Amfortas. Hans Sotin's shortbreathed, under-the-note Gur-nemanz is showing signs of age. Franz Mazura, now 65,

still sings Klingsor with vig-our, Waltraud Meier'e Kundry is Beyreuth's jewel, but deserves a better partner than Pell. The featival chorus, trained by Norbert Balatsch, matches Bayreuth's most exalted standards. But even the best singing and conducting will not redeem this

he first part of A Travelling Actress was given late laet Saturday on Radio 4. Tha eccond, final, part is tonight at 10.15, worth cancelling other things for. It is adapted from the journals of an 18th-century actrees, Charlotte Deans, who ran away from home to marry an actor, and recorded her subsequent adventures. She made her terrified, inexperienced debut as Desdemona, where she sounds far better than you might , expect; but than Charlotte was played by Judi Dench.

Life for a touring actress was full of incident in those days. Charlotte Deans managed a pub, went to prison with her husband when he was wrongly charged for debt, moved into lodgings with the survivors of her ten children and had two more, and, not surprisingly, went down with brain fever. Then har hneband unexpectedly died. Hear the rest tonight – Mrs Deans, born 1768, lived until 1859. The director is Jane Morgan.

director is Jane Morgan.
Radio 4 has been obsessed with actors lately. There has been a repeat of *I, an Actor*, with Nicholas Craig and other actors being actors, and the more broadly comic serial An Actor's Life for Me that ended on Wednesday. Yet the top actors this week were heard late on Saturday and mid-afternoon on Thursday.

Thursday'e piece was The Ultimate Invention, by Don Ultimate Invention, by Don Haworth, where Simon Callow played a 19th-century Grand Duke, and Alan Bennett a gronchy small-time engineer, Francis Block, who reckons

that his latest invention will

Radio **Painful** voyage round an actress

serve to pay off all the Duchy's

Unhappily, Block's apprentice leaks the invention — which is, I can tell you now the play ie done, a two-wheeled, foot-propelled means of transport called a "bi-cycle" — and has added a refinement of his own, a "free-wheel."

"free-wheel." This punch-line comes rather too soon in the play; but there is such fecund invention and playing of Callow and Bennett is so delightful, that I had no feeling of anti-climax. The play was co-produced with the World Service, and directed by

Gordon House. Alan Bennett was also to be heard on Radio 3, in a repeat of the Better Halves? programme ahout Machiavelli, whose better half on this occasion was Prunella Scales.

Children of the Book (Radio 4, Thursday) gave us some inside views of young British Mnslims. A girl resented wearing her head scarf and being disallowed meat in the canteen. White parents would not let them play with their

children. "Rushdie" was used as a bad word at school. Praying routines were hard to understand. "Islamically" there were no arranged marriages; they were family business. Two girls told of unhappy marriages, and both claimed now to be atheists. There was rock music in a Muslim club but no dancing; and the girls

could not wear makeup.
They sounded like young people of any kind living under an imposed discipline. The programme was presented by Yasmin Alibhai, Race Editor (sic) of The New Statesman "We need to develop a British Islamic culture," we were told, but what is that? How would it solve the Rushdie question equally acceptably to Penguin and Tehran?

The BBC Radio Collection consists of handy taped versions of popular radio broadcasts. The range is great; the latest lot I have been sent ranges from Dick Barton to a reading of Graham Greene's The End of the Affair.

catalogu includes euch treasures as the Goon Shows, Hancock's Half-Hour, Joyce Grenfell, Lake Wobegon, Lord of the Rings, The Nine Tailors

Mostly they consist of two cassettee in a programme wrapper and packed in a neat transparent plastic case. Some go to four cassettes and two

The quality of reproduction is as it was broadcast; the size of the package is four and a quarter inches by five and a half inches by half an inch. You could call them the radio devotee's videos.

B A Young

A small-scale success story

he Batigmano Festival, officially known as Music in the Cloister, began modestly in Degan modestly in 1974 with a performance, in English, of Purcells Dido and Asneas. Not easy to reach (except from the coastal city of Grosseto), Batignano has nevertheless created a devoted following over the years; and now

ART GALLERIES

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it can count on a capacity audience — admittedly the capacity of the cloister is not large — to attend all its productions.

ductions have still remained modest in scale. There is virtu-ally no scenery (except the walls and arches of the cloister itself and its central well), the itself and its central well), the costumes tend to be simple, often modern, there is never a chorus, the singers are mostly unfamiliar (at least to Italian opera-goers), and the repertory is eclectic. But visitors to Batignano, even if they do not know the singers or the opera being sung, know that they can depend on the director Adam Follock's serious musicality, his taste, and his flair for choosing the right collaborators.

Not that everything in the Choister is perfect. In the production of Handel's Rodelinda that opened recently, some of the singers were weak (the counter-tenor Jonathan Kanny, as the betrayed king Bertarido, had a plangent, whining tone and a gawky presence); but still the good far outbalanced the had, and the loyal public heard a genuine Handelian performance. formance, a great rarity in Italy, where if Handel is given at all, it is usually in unanth-

THE WORLD FAMOUS SPANISH RIDING SCHOOL OF VIENNA Sunday Oct 15 at 3 W WEMBLEY ARENA 01 900 1234 cc 91 976 7711

entic versions with star singers ignorant of proper style.

Batignano's voices tend to be small, but in the confined, intismall, but in the confined, inti-mate playing space, this is alright. Wa had, the other night, a kind of chamber Rode-linds; the emotions were big-ger than the sounds they inspired. Still, the sheer inten-sity of Lynne Davies in the title role, her nobility of car-riage, and (after some obvious nerves at the outset) her vocal security made up for any lack Despite this success, the pro-

of lung power.
Similarly, the tenor Paul
Nilon, as the scheming (but
eventually repentant) Gri-

moaldo, gave a splendid muni-cal and dramatic characterisa-tion of a figure far from easy to delineate. It was not necessary for him to yell, to hammer home his points, from villainy to madness to final serenity, he demonstrated a secure grasp of a broad interpretative range. Similarly, Katherine Steffan, though not always secure of intonation, portrayed an impassioned, moving Edwige.
Nilon, Davies, and Steffan were also admirable in their

clear Italian enunciation

(all-important in an opera rich

in recitative), an achievement that Kenny unfortunately was lacking (Bertarido's words were gabbled in a thick British

security made up for any lack

William Weaver

reviews the

Batignano

Festival

accent, making him sound more like a foreign invader than a Longobard king). In the smaller roles, Jonathan Best turned turned the duke of Turin into a bully-boy thug, but made good use of his some-what hollow, not particularly agreeable voice; and as the faithful Unuifo. Theresa Feighan had little to do until her last-act aria, which she sang finently and engagingly.

The Musica nel Chiostro orchestra, also of chamber proportions, seemed to consist mostly of young British play-ers, and — as the numerous solos and exposed passages indicated – of considerable skill and sensitivity. The conductor Ivor Bolton drove them hard, and there were moments when a bit more suppleness would have been welcome. Still the execution had shape and vigour and drama.

With a pond devised in the centre of the long playing plat-form as the only scenic element, Matthew Richardson concentrated his staging on the players themselves. Fortunately, he had good actors, for the most part, and he could make their frequent confronta-tions meaningful and exciting.

The long arias, with their repetitions, were not tricked out with a lot of extraneous business; the repetitions were dra-matised, trus, but in the changes of facial expression, the spare gestures, and - often in a taut immobility more effective than any stomping and ranting. A special word of praise is due to Rick Fisher's incisive lighting.

Chess No. 786: .. Rxc2i 2 Kxc2 Re2+ wins after 3 Kd3 Qa6+ 4 Kc3 Qa5+ 5 Kd3 Qd2 mate or 5 b4 Qa3 mate.

OR THOSE of us who have so far resisted the mad rush north to Edinburgh, a gleam of samity: Jack Shepherd's stimulating portrait of William Blake and his revolutionary near-contemporary Thomas Paine has made the sort of progress that is the dream of many a fringe hopeful, from East Dulwich to West End,

unabetted by any festival hype.
It arrives in Covent Garden a
little stretched at times across
the wide, flat expanse of the
Donmar Warehonae, but absorbing nonetheless in its postulation of a chance debate between a young Blake, odd-jobbing engraver and ignored poet, and the battle-weary man of action who has seen his wel-come wither in the bosom of

Shepherd uses the debate to create a snapshot of two con-trary but in crucial ways com-plementary intellects, while

the French Revolution.

At home with the Blakes

making the point that the issues of the 18th century were significantly analogous to our own; the fires of patriotic zeal flicker against the walls as the "traitor" Paine, a fugitive from the lynch mob, takes advantage of the cosy seclusion of the Blakes' Lambeth garden to propound his revolutionary propound his revolutionary theories to a visionary nutcase

who sits naked in trees.

The opening image of "Bill" and "Kate" Blake Adam-and-Eveing it in the 18th century equivalent of the garden of a suburban semi sets the tone of the evening — surreal and yet ridiculously plausible. Lesley Clare O'Neill's Catherine is as disarmingly mundane as it is

up a tree with nothing but a garland for modesty, while Michael Maloney's Blake is a etudy of blank-eyed other-worldliness coupled with boyish eagerness to please and a zealous belief in "revelation" as opposed to "revolution." What in Blake's terms is a

matter of accing angels becomes to the embattled pop-ulist, Paine, an assertion of a redundant individualist ethic. The revolutions of France and America are the only events of any meaning in the entire cen-tury," asserts Boh Peck in an accent that one can only describe as Norfolk, US, Yet Blake, too, was a revolutionary

thinker, pictured here yearning for an honourable engagement with the Establishment, and maintaining pettishly that while in most countries writers are very properly executed, in England they are very improp-

erly ignored. Shepherd who also directs, offers no reconciliation. Out of all the wine and hrandy con-aumed during the evening comes no maudlin togetherness, rather a recognition of the differences that persist between artists and activists, compelling the activist to go out over the garden wall once again. The points are put ele-gantly and eloquently enough to give a risible redundancy to the anti-smoking lobhyist, who had to be bustled offstage after a noisy protest at the end of the show. Had nobody told him that Fidel Castro has given up

Claire Armitstead



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SPORT

From the sublime to the ridiculous

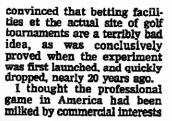
Ben Wright is worried about the effects of more commercialism on top professional golf

strange month in the world of big-time golf since the palpitating fin-ish and Mark Calcavecchia's unique four hole play-off victory in the Open Championship et Royal Troon. The cyni-cal, and I am rapidly becoming one of their number, might say that the professional game at its highest level is fast retreating from the sublime to the

There are few things in life I prefer to the occasional wager

ridiculous as it becomes ever

more sickeningly commerci-





Ray Floyd: verbal warfare should stop

outside the sport to an alarming degree. But nothing has shocked me more in living memory than last week's eppointment of the William Hill Organisation as the official bookmaker to the European Tour, together with the promise from that company that they will offer on-course betting facilities during at least

six events next season.

I have nothing against the William Hill Organisation, at whose splendid facilities I have placed bets on countless occasions. But none of my friends and acquaintances, nor myself have found it difficult to place daily bets on, for instance, this year's Open at betting shops scattered throughout the land. It was the rowdy element that the presence of on-course betting facilities attracted that killed the experiment in the first place. I well remember when such a facility on the left side of the 18th fairway at Turnberry became a confounded nuisance to the players in terms of the decibel level of noise distraction.

It was uncannully disturbing to watch players actually betting on themselves, although they would obviously despatch a friend or relative to place the skulduggery.
For instance few who witnessed it will easily forget the innocent incident at the 1978

Hnbert Green, poised over a four-foot putt on the 18th green to tie the eventual winner, I saw nothing wrong with Tom Watson trying to take advantage of the absurdly generous odds of 80-1 offered against him winning at Troon in a local betting shop. But as he told me in Denver, Colo-rado, this week, Watson, e Gary Player, was fatally disturbed by a nearby radio commentator, whosa whisper intruded so rudely on the total silence respectfully afforded much respected traditionalist, would never dream of placing a

Poor Hubert backed off and laughingly rebuked the com-mentator in question. But the damage to his concentration bet on himself or anyone else at a tournament venue.

Aside from tha rowdy element thet golf events in Britain have seen become had been done, and the even-tual putt almost inevitably increasingly apparent - and hardly threatened the hole. which the game can definitely do without - it is the criminal Golf, more than any other sport, demands ebsolute element that is never far silence. Need I say more? behind, that worries me. When the short-lived experi-

The American Ryder Cup team was completed in Colo-rado this week when captain Ray Floyd nominated 39-year-old-veterans Watson and Lanny Wadkins to fill his two "wild card" spots on the 12-man squad. The press confer-ence was notable for a fresh round of sabre rattling from a team that since Calcavecchia's team thet, since Calcavecchia's triumph, has become increas-ingly confident of victory at The Belfry next month.

I am sure I am not alone in having become profoundly sick of the verbal warfare that has been waged about the outcome of the match on both sides of the Atlantic throughout this momentous season. Wouldn't it be a great idea if both captains, Floyd and Tony Jacklin. declared an immediate moratorium on this senseless mouthing off until the teams have finally decided on the evening of Sunday, September 24, who shall have Transatlantic bragging rights for the next two

This verbal warfare can only inflame the passions of a crowd whose behaviour will be watched with more than pass-ing interest by those members of the media from both Britain and America who as usual are thirsting for trouble.

While on the subject of bad behaviour. Payne Stewart's list major title victory, won at the USPGA championship last Sunday evening was marred by his antics in the scorer's tent at Kemper Lakes golf club on the outskirts of Chicago. Scores of players assembled in Denver this week for the Inter-national Tournament at nearby Castle Pines, agreed with me that Stewart's behaviour was nothing short of disgraceful. Stewart clowned around while out on the golf course Mike Reid, who had led the event from the opening

the 16th fairway, and then took three sorry putts on the 17th green to present the title to Stewart. Crass commercialism again

reared its ugly head. Stewart is paid vast sums: of money for wearing golf clothing put out by the National Football League At one point he turned away from the camera in close up to point to the League's logo on the back of his cap. Thankfully Reid returned us to smity by giving Stewart a warm ambrace. Golf 6 integrity had thankfully been saved once again, but I wonder for how long?

red de:

pames



Tony Jackiin: should stop mouthing off

RICKET telephone information services are one of the game's new sub-cultures, along with tapes and videos about great matches and per-I rang Cricket Information line last Wednesday and was sonalities, such as the BBC's Bradman tapes and Ashes Regained video. This last shows highlights of England's

victorious series against Australia in 1985, a memorandum of a lost world. Another cricket sub-culture flourishing with fungal vigour is that of "personalised" cricket clothes for clubs and for individuals. In this season's epidemic you can find warm-up jackets, his and hers T-shirts and, for masochists and Aostralians everywhere, a 1989 Australia Tour Tie.

Most of the cricket lines that have spring up all over the country in the last few years have steered clear of the Tour Tie's bad luck by covering county and one-day matches besides Test matches besides Test matches.

One of them, Cricket Information Line, goes further than that. It adopts the simple policy of supplying information on anything to do with cricket except cricket matches, thus sparing the caller all details of English Test catastrophies.

tions with the United Demo-cratic Front, concerning his intention to spend the winter in South Africa, and about the fitness of various players stretching their muscles and straining their joints in the National Westminster semi-finals being played at thet very moment. The highlight was Neal Radford's damaged groin, Edgbaston and will affect his chances of a recall to the Test team for the last match.

If I was stuck in an office all day, I would be interested rather than excited by bulle-tins like these. I am not sure if I would happily pay the stan-dard rate of 38p a minute, 25p a minute cheap rate, which all cricket lines charge for their

Most cricket lovers

Howzat then cricket lovers?

Teresa McLean plays a straight bat to telephone googlies

marconed or imprisoned away from television or radio do not mind paying that much to hear the latest news about impor-tant matches. That is easily understandable. Indeed, when a match is close and exciting, it can even become addictive. It would be more addictive if the facts given were anywhere near being au fait with events,

but they never are.

A few Cricket Lines adopt honest tactics on this front. Broadsystem Cricket, which has a slightly more reserved and old fashioned style than the other lines, free of jingles and triumphant ditties about its speed and efficiency, advertises itself as updating its information every half hour.
It does not say whether it pride in a slow, solid image. Why else would it call its London headquarters The Elephant House? The closest Broadsystem

mental on-course facilities

were first launched, many players assured me such

wagering would never influence or adversely affect their play. But in my humble opinion it will only be a matter of

time before a golfer is "got at" by those who find it impossible to resist the temptation to try

to influence the outcome of the tournament. It would be child-

ishly simple to pull off such

Cricket gets to the fast and furious is being eight overs behind events and, in a rare moment of effervescence last Wednesday, referring to Mid-dlesex as "going along at a fair clip" in their semi-final against Hampshire. There is, I am glad to say, a

touch of reserva in all the Cricket Lines, though with most of them it is only the lightest of light touches, an unconscious acknowledgement of the importance of all things reserved, cryptic and understated, such as spin bowling, in It does not say whether it regards this as an admission or a boast, but it obviously takes the game they are reporting. Even Rapid Cricket Line, which favours a high speed

image, gives its listeners confidence by introducing itself as the official cricket service of the TCCB, with the accent on the official.

Its slogan lifts it to the heights of stability: "The Ser-vice That Updates Whilst You Listen". What it updates is unclear, but the stability comes from "whilst", which is reckoned to exude a whift of the upper echelons of cricket administrative language, starting from the Test and County Cricket Board (TCCB) and casting an eye, (or is it an ear?) in the ultimate direction and the ultimate initials: the

Rapld Cricket Line's slow updating is no slower than the overs behind the state of play and gives facts and figures rather than comment. This style of straight, unhurried reporting is popular.

My main complaint about Rapid Cricket Line is that if you telephone one of the county information numbers it provides, to hear how that county are doing, but for some reason you ring on a day when that county is not playing, you are not told to ring back on a different day. You are not told that the day in question is empty.

Instead you have to sit and

listen to the full litany of all the county information num-bers, including the one you have just rung. It is an expenupdatings of other Cricket sive way to learn that there is no county cricket information on the loose except the numbers you can find free of charge inscribed on a cricket but in the Rapid Cricket Line Still, even cricket lines can

day, was dying a slow death, if only figuratively. Reid, who had also led the US Masters in

April, until hitting a terrible wedge shot into the pond at

the 15th hole, having three put-ted at the fourth, found a way to lose again in an ironically similar fashion. This time Reid

found the water to the right of

be funny. That is one of the delights of cricket; it is natu-rally humorous, intentionally or not. Rapid Cricket Line is run by the bookies William Hill. Ladbrokes runs a rival service which cannot help being funny. It is the only cricket line

which seems to have no reserve at all in its approach to the game, the listeners or the facts of cricket life. It regards any sort of reserve as shortchanging its listeners. "Stay on lina with Lad-brokes," says its advert. You

don't have much choice as there is almost always a tech-nical fault which makes it necessary to stay on the line for several minutes before you can find out which match the reporter is unable to tell you On Wednesday Ladbroke Line told me, with a voice talking faster than the speed of

and the real firm of the same of the same same same and the same same

and Kent at Canterbury had been delayed by rain. So it had, but only until 11: 30 am. Reports fell further and further behind at a faster and faster pace, enveloping the whole operation in an air of amiable absurdity which was a relief it would be singularly inappro-priate to call it a rest - after the late, straight recitals of the other lines.
This was late par excellence,

light, at 12:12 pm, that the start of the game between Australia

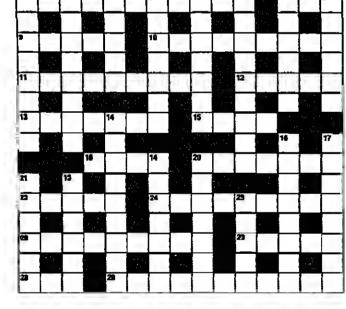
but nowhere near straight. It tied itself in loopholes and break-downs with considerable aplomb. The announcer somehow contrived to evoke removal lorries, not bowling, with his announcement "George Humpage had his off stump removed by Radford. A couple of minutes later came a cascade of deliciously unlikely

breakdowns and fadeouts.

"He really has been tled down...We hope to be back this afternoon...This is due to a technical fault at Edgbaston . . . Thankyou for calling." Thankyou for reading.

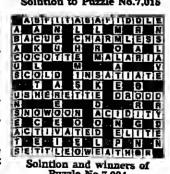
CROSSWORD

No. 7,016 Set by CINEPHILE Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday August 30, marked Cross-word 7,016 on the envelope, to the Financial Times, Number One tember 2.



- ACROSS 1, 7 Devised with consider-
- ation, we shall nevertheless seek for custom (4.7.3) 9 Small boy or Pacific island (5) 10 Deciding what's the matter,
- is doing as arranged (9) 11 Local target (4-5) 12 Provide the ultimate – upper-class English (5)
 13 Charged with making suace
- with cadmium? (7)
 15, 18 Wipe tub. perhaps, to remove parasites (4,4) 20 More or less black and
- white food container (3,4) 23 Top 100 - 500 sheets (5) Saint with religious prac-tice don't give it up (5,4)
- 26 Where's the halo of the parlimeotarian? (9) 27 Nuclei that part in port (5) 28, 29 Old airline takes on pure gold: it can swallow most things! (3.11)
- DOWN
 1 Retire. baving unsettled
- game (8)
 2 Irish rhyme "tree" with
 "hay"? (8)
 3 Unfinished article to take from excitement (5)
- 4 Experienced person, in former times four inches (3,4) 5 Cautious as a prisoner? (7)
- 6 Model surprisingly seen twice by Williams (9) 7 Legally positioned in consid-
- 8 Trying sort of person on top of bed (6)
 14 Irregular health resorts
 Mr N. Boltoo, Lytham St.

- 19 Spent force of tormented 20 Check on page 50 is cheering (7) 21 Scottish horse or beetle (6)
 - 22 Man (island) that produced 25 I held out in India (5) Solution to Puzzle No.7,015





where doctor upset police
(9)

16 Broken nail in hand at end
of cup (8)

17 Provider of cover-ups for the

where doctor upset police
(9)

18 Broken nail in hand at end
of cup (8)

19 Hutchinson, Easington, Co.
Durham; Ms Oonagh Morrison,
Shandon Durhartonshire Shandon, Dunbartonshire.

BBC1 including 1235 America (IAAP Mobil Grand Prix from Berlin); 1250 News; 1265 Swimpaling (European Championathips from Bonn); 259 Racing from Bipon; 225 Motor Racing (Luces British Formula 3 Championship from Outpon Park); 230 Racing from Ripon; 235 Swim-ming; 230 Racing from Ripon; 235 Swim-ming; 330 Racing from Ripon; 235 Swim-ming.

(Westatox Ladies British Open); 4:25 Swim-ming.
Sut3 News. 5:15 Regional news; Sport. 8:29 Rolt Harris Cartoon Time. 5:05 MecGyrer. 6:25 That's Showbusiness. 7:05 Michael Bar-rymore's Saturday Mght Out. 7:50 Columbo. 9:05 News and sport. 9:39 Casuetty. 18:16 The Best of Carrott Confidential (first of two com-pillations). 18:39-12:23 am Film: "Castle Keep? (1999) with Burt Lancaster and Patrick Crivat.

BBC2

245 pm Woody Woodpecker Double Bill. 12:56 Film: "The Sisters" (1936) with Bette Davis and Errol Flynn, 4:20 Film; "Deception" (1956) with Bette Davis 5:29 A Food and Drink Special. 5:39 Besthoren: Mehlym Ten (lortoplano) pleys Besthoren: For Effse; Variations in F Op 34 and the Sonsta in E flat Op 81s known as 1.ss Adland, and balls to Michael Bertaley about the virtues of playing Besthoven on the templano. 7:38 Newsydew. 5:16 The Seedion, 4:15 Film; "Run, Chrissle, Run!", 10:33 The Eyes of Canada: 50 Years of the National Film Social, 11:35-129 am Film; "Mon Oncie Antoine" (subtitled).

LONDON

3-16 Show Jumping from Hotberdam; 2:93 Anj-letics; 4:30 Motorcycling; 5:90 Crickett (Refuge Assurance Lesgue - Lancashire v Yorkahire); 8:15 Swirmming from Bonn. 5:45 Cree Mare and his Dog. 7:36 The Nature of Australia, 8:25 Borodin Guarrier Play Total-leoseky, String Guarrier No 1 in O. 8:35 The Final Solution - The Wannesse Conference (German with English subtiles), 10:25 Mov-led-troma: Alax Cox introduces tonight's film in the cult movie season - 10:23 - 12:15 and "The Suddy Holly Story."

\$300 TV-am Breakfast Programme. \$25 Ghost Train on Sunday. 18:15 Follyfoot. 18:45 Link. 11:50 Morning Worship. 12:50 Borderlines. 12:29 pm Caricon Time. 12:51 Local News and Weather. 1:50 ITN News, followed by ITV national weather. 1:10 The Smurts. 1:30 As invitation to Remember. 2:39 Coronation Smeet.

Street.

238 "Carry On Behind" starring Kenneth Willarra, Kenneth Connor, Eire Sommer, Jeen
Sims, Bermard Breastaw and Jack Douglas,
460 Carbon Time, 3:00 Wonderta World or
Diancy, 6:09 All Clued Up 3:08 TIN News,
1545wed by ITV Albonal weather. 8:35 Local
News and Weather. 8:05 The hymn Malera.
215 Home to Russi. 7:45 Murder Weekand.
2:15 The Fitteen Spreats. 16:15 TIN News,
1510wed by ITV nellonal weather. 19:26 Local
Weather with Anna Maria Ashe, 19:35 Cilmater and Mars. 11:25 A Turbst to the Tale,
12:05 are The Chart Show.

LONDON

CHANNEL 4

8:06 am Streetwise. 8:86 The Opreh Windrey Show. 8:18 Sing and Swing. 8:26 Merror Buckstansarigur. 8:86 All in a Day's Life. 1:80 This Food Business. 17:85 Filts: "Star Josephel Rights" with Betty Hutton, Eddle Bracken, Bing Grosty. 80h Hope, Rey Milland, Alan Ladd, Fred MacMarray, Dick Powell and Veronica Lists. 12:28 pen Darce With Me. 12:36 Film: "Brigham Young" with Dean Jegoor. 249 Channel 4 Racing from Sap-Me. 11236 Film: "Prighten Young" with Dean Japger, 2:00 Chennel 4 Recing from Sandown. 2:08 Brookside Omnibus. 6:00 Five Women Photographers. 8:00 Great Britishides, 7:10 The World This Week. 8:00 Kindelon Of the Suo: Two in the Bush. 3:00 Intimate Contact. 16:09 The Channel 4 Debate: Football Crazy? 15:00 Film: "Proof" ("Why?") Cooth Birn with English subtities. 11:15 am The Mysteries of Edgar Walkers.

CHANNEL 4

S4C WALES

ANGLIA

BORDER

30-42 WFALESO
As Channel 4 empt.
825 mm Here and Now on 4. 1826 The World
This Week, 1986 pas Star Teel, 128 This Food
Business, 1250 Facture First. "The Green
Years", 428 The Moon and the Sledgehamrive, 2.30 February Maxwell Devises,
7:20 Pobol Treegidis, 7:25 Newyddion, 7:30
Arwyddion Hell, 826 Y Daw Dyw, 8:65 Fraglin
Earth, 1985 Feetines Film: "Burnner Lightoing" starring Paul Scotietic, 12:60 am Peature Film: "Awane" (in Hindusten) with
English succities.)

12:30 pm Farthing Diary, 1:18 Hebtoom, 1:00 Carloon Time, 2:00 Highway to Heaven, 2:00 "Five Weeks in a Belloon" starring Cediti-Heardwick, 2:00 All Clead Up, 2:00 Corona-tion Street (Oranibus edition), 12:06 pm Pris-

12:00 per The 19th Day, 1:16 Planning Small Garden, 1:36 Out of Town, 8:90 : sport, 12:05 em Prieoner: Cell Block H.

2:30 mm Secence Street, 10:30 The Life Revo-tation. 11:30 Look Good. Feel Greet. 12:29 Women Writera. 12:29 pm The Peter Custry Show. 1:30 Feature Film; "Young Caseldy". 6:30 Country Ways. 6:30 The Coaby Show. 7:30 World Alive. 7:35 Newyddion. 7:40 Pum Diwrnod o Ryddid. 18:25 Soutemd Yard. 18:A Regiene as Lemion accept at the follow-

TI:20 am The Chert Show. 12:30 pm AL.F. 2:40 pm Film: "Operation Ameterdam" with Poter Finch. 11:26 Film: "Descripti" with Mich-sel Caine and Eric Popriman.

CENTRAL

CHANNEL

GRAMPIAN T1:30 am The Chart Show, 12:30 pm Sup cross: Honda UK Open. 5:18 Criome; (Geelic news for the Highlands and Islam T1:20 Starring Michael Caine: "Deadhil".

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SCOTTISH

TELEVISION/RADIO

SATURDAY

11:20 see The Chart Show, 12:20 see The South West Week, 2:48 Film: "Operation Ameterdem", 5:06 Newsport, 5:16 Gus Honey-bun's Magic Birthdays, 11:36 Fikm: "Deedsal"

YORKSHIRE

RADIO

RADIO 2

\$35 um Frankle Veughen. \$39 Sounds of the 60s with Levi Stubbs. 18:00 Anne Robinson 12:05 pm Genald Harper, 139 Someone and the Grumbleweeds. 138 Sport on 2, including the Grumbleweeds, 1:38 Sport on 2, Including Football, Cricket, Switzmaning and Show Jumping. \$500 Cinema 2, 6:39 Jukebox Saturday Night with Dave Dea, 7:30 Three in a Row 7:38 The Virtueso Orchestra offset from the Barbican, 8:38 String Sound. 18:36 Martin Refere, 12:38 san The Motropole Orchestra.

RADIO 3

7:86 am Morning Concert. 8:39 News. 8:38 Heydn and Beethoven pleno trics played by Pater Frankl, Gyorty Patek and Raiph Kiralbaum. 8:38 Record Release. 12:29 pm Mozart String Quintett: Custriet in E Rat K171 and Quintot in 2 K174, played by the Amadeus Courtet with Cacil Arcacevitz. 13:38 News. 1:95 Dezzo Rankl (plano): Beethoven Gonsta is E Bitt Op 31 No 33, Brahms (Variabions and Pugue on e Theme of Handel). 2:59 Classic Opera: Glordano's "Andree Chenier' on mone records with Gigil in the title rote and the chorus and orchestra of La Scala, Milan, 4:58 Two for One and One for Twee plano music by Max Branch played by Jolian Jacobson and Andrew Ball (planos). 4:28 Debut: Chamber music by Ropertz and Villabos played by the ensemble Jouz. 5:58 Jazz Record Requests.
5:56 Walking the Tightrope: Sam Jacobs looks at contemporary larsell Theatre, 6:30 BBC Singers in Brazil, 7:15 The Mosquinces'

Perade, and other gems, played by Alireck Campoli and his Salon Orchestra; mono records, 7:39 Proms 1980; Gothenburg Sym

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RADIO 4

7:00 mm Today. 2:00 News: Sport on 4. 2:00 Breslaway. 10:00 News; Now that's whet I call Maili (s). 18:30 Britannia - the Film (s). 11:00 News; Taiking Politics. 11:30 From Correspondent. 12:30 Wilka'n Weeldy USA. 12:25 pm The House (new eight-part Parliamentary drama: series by Christopher I can former BBC Defense Correspondent.

SUNDAY



George Segal (left) Kristin Scott Thomas and Albert Finney star in The Endless Game, C4, 10.15pm

Deen. 200 Highway to Heaven. 200 Dieney's "The Sword and the Rose" starring Glymis Johns and Richard Todd. 208 All Glued Up. 200 Coronation Street (omnibus edition). 12:05 am Prisoner: Cell Block H.

CHANNEL 12:30 pm Reflections. 12:38 Les Français Chez-Vous. 1:10 Short Story Theatre. 1:15 Now we know about the los Age. 3:00 "Rais-ing e Riot", 12:55 sm Soap.

GRANADA 12:39 pm Thie is Your Right. 12:30 App Kee Hall. 1:10 The Wonderful World at Disney. "Charlie the Lonssone Coupar." 2:59 Battle of the Monster Trucks. 2:50 Sunday Matthew. "Women of Straw". 5:00 AM Clued Up. 5:20 Corenation Straw (Pumblus edition). 1:5:00

SCOTTISH

12:39 pm The Speciacular World of Guinneae Records. 1:18 Coronation Street (etanibus edition). 2:19 Pilm: The Carrival Story Star-ring Asiae Bacter and Steve Cochran, 400 All. 4:30 All Chied Up. 8:50 Scotsport. 8:50 The 19th Day, 12:85. 8m The Grand Gle Opry. 12:35 Marder, She Wrole.

1 239 per Farming News. 1:10 Fisheries News. 1:28 On the Buses. 1:35 The Wonderful World of Disney. 2:36 Film: "Woman of Straw" starring Gins Lollobrigida and Seen Conney. 8:59 All Clued up. 8:38 Goronation Street (omnibus edition).

12:35 pm A Heritage from Stone, trib Sunday Sportsbeet 2:15 Kitchen Garden, 2:20 McGil-lowey's Way, 2:36 'Carry on Cruleing' star-ring Sidney James and Ketneth Williams, 3:80 All Clued Up. 5:26 Coronation Street, 12:36 am Line on Stage: State Forbart. YORKSHIRE

(Plano Concerto - conducted by the composer) (2634 Interval Reading) 250 Debussy (Jesu) Tippett Symphony No 2.

446 Catebrity Recital Salvatore Accardo (violin) with Bruno Canino (plano); Beethoven (Sonata in A minor Op 23), Strauen (Sonata Op 18), Stravinsky (Divarimento), Sarasen (Concert Fanissy on Carnani, etfs interpretations on Record, Sasphen Waish considers complete recordings of Beng's opera 'Wozzook', 7:15 Pupits of Leschettzhy; Mono recordings from the 1920s and 20s by planets Molesewitzoff, Friedman and Gabrilowitzeh, 7:250 Proms, 1928, BEG Symphony Crchestra conducted by Routhdestwensky with Heather Parper (soprano), Rossani (Overhams, Le canserentola), Erittes (Our Hunding Fathers), Rossahl ary Sylipsi (Soirces state)

RADIO 4

